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Supervisor of the United States

San Francisco, Cal.

No. 20

ST. FRANCISCO AND BOARD OF STATE  
SUPERVISORS FOR SAN FRANCISCO

THE BOARD OF SUPERVISORS OF AMERICA, UNITED  
STATES NATIONAL COMMISSION, INCORPORATED  
SAN FRANCISCO, CAL.

No. 22

CITY OF SAN FRANCISCO A MUNICIPAL CORPORATION,  
AND THROUGH ITS BOARD OF PORT  
COMMISSIONERS AND ALLIANCE

THE BOARD OF SUPERVISORS OF AMERICA, UNITED  
STATES NATIONAL COMMISSION, INCORPORATED  
SAN FRANCISCO, CAL.

AMERICAN UNION OF PORT AND WAREHOUSE WORKERS OF THE UNITED STATES FOR  
SAN FRANCISCO DISTRICT OF CALIFORNIA

# SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1943

## No. 20

STATE OF CALIFORNIA AND BOARD OF STATE  
HARBOR COMMISSIONERS FOR SAN FRANCISCO  
HARBOR, APPELLANTS,

vs.

THE UNITED STATES OF AMERICA, UNITED  
STATES MARITIME COMMISSION, ENCINAL  
TERMINALS, ET AL.

## No. 22

CITY OF OAKLAND, A MUNICIPAL CORPORATION,  
ACTING BY AND THROUGH ITS BOARD OF PORT  
COMMISSIONERS, APPELLANTS,

vs.

THE UNITED STATES OF AMERICA, UNITED  
STATES MARITIME COMMISSION, ENCINAL  
TERMINALS, ET AL.

APPEALS FROM THE DISTRICT COURT OF THE UNITED STATES FOR  
THE NORTHERN DISTRICT OF CALIFORNIA

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JUDD & DETWEILER (INC.), PRINTERS, WASHINGTON, D. C., AUG. 25, 1943.

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EXHIBIT No. 61

California Railroad Commission, Transportation Department,  
Engineering Division

Final Report

Providing Recommendations in the Matter of the Marine  
Terminal Problem in the San Francisco Bay Area, With  
Supporting Data

Case No. 4090

Dr. Ford K. Edwards, Transportation Economist.  
T. G. Differding, Assistant Engineer.

San Francisco, California, May 16, 1936.

[fol. 2115]

May 20, 1936.

At Hearing:

General hearing held in Rm. 393, City Hall, Comm. Harris presiding. Mr. Differding offered reports from Selbers Bros. as to tonnage handled for others, leases of Parr Richmond & resolutions of State Harbor Board covering rates at Islais Creek Terminals. Exhibits not put in evidence.

Dr. Edwards then reviewed this report in true style of a modern "brain trust" representative, who without previous experience in shipping, calmly points out the solution to all the port problems. All theory, steeped in academic lore and uncontaminated with practical worries. In general, the placing of terminal rates on such a strict cost basis will tend to produce uniformity in practice and gradually spell the end of private terminal competition. Only the public can consistently meet the requirements set up over a long period.

However, the learned Doctor is unconscious of all this.

Also, I have misgivings as to the wisdom of forcing a general 7 to 10% increase of rates in the East Bay area. What will this do with the port development?

Nevertheless, this is the first serious effort to apply a cost analysis to terminal rates and to bring the situation onto a sound legal basis, and is much to be commended. Since my association with the port I have urged this necessity and

believe this will in the end, tend to produce better conditions in port operations.

[fol. 2116]

San Francisco, California,

May 16, 1936.

Case No. 4090

Mr. Warren K. Brown, Director of Transportation, Building.

Transmitted herewith is the final report of the Engineering Division of the Transportation Department dealing with the determination of reasonable, compensatory and non-discriminatory rates, rules, regulations and practices of public utility wharfingers engaged in marine terminal operation in the San Francisco Bay area.

This study has been made in connection with Case No. 4090, which is an investigation on the Commission's own motion into the rates, rules, regulations, practices, etc., of public utility wharfingers within the scope of the investigation.

Although the harbor facilities owned and operated by the City of Oakland, the Port District of Stockton, and the State-owned facilities at San Francisco do not come within the jurisdiction of this Commission, the officials of these publicly owned properties have worked very closely with and cooperated with the Commission's representatives in every respect to make possible this comprehensive study of the marine terminal situation in the San Francisco Bay area.

It is planned to introduce this study as an exhibit at the hearing to be held in San Francisco on May 20, 1936, before President Harris.

The study and report has been prepared by Dr. Ford K. Edwards, Transportation Economist, and T. G. Differding, Assistant Engineer; and, in so far as I have been able to ascertain, represents one of the most exhaustive studies that has been undertaken on this general subject and it should be helpful in the determination of this and similar problems coming before the Commission in the future.

Respectfully submitted, J. G. Hunter, Transportation Engineer.

[fol. 2117]

San Francisco, California,

May 16, 1936.

## Case No. 4090

Mr. J. G. Hunter, Transportation Engineer, Building.

Pursuant to your instructions, we are presenting herewith a final report in Case No. 4090, setting forth our recommendations in the matter of the marine terminal problems in the San Francisco Bay area.

We find that three principal problems face the industry. The first is the inadequacy of existing revenues. The second is the diversion of tonnage from one port to another through the device of absorptions. The third is the discrimination between the various users of terminal services, some bearing an unduly low proportion of the costs.

The deficits have arisen principally from sharp increases in labor costs and from rate reductions arising from the competition between the various public and private port terminal bodies.

A complete analysis was made of the operating costs of each phase of marine terminal activity at each of the private terminals, which in turn necessitated a study of the proper and reasonable division of terminal costs between the vessel and the cargo.

The rates recommended herein are based upon a consideration of three factors:

1. The cost of providing the service.
2. The ability of the cargo or the vessel to pay.
3. The competitive conditions.

The construction and economic characteristics of each terminal rate and charge are set forth in full detail throughout the report and summarized in Part III, Chapter IV.

In addition, other terminal problems such as absorptions, leases and rentals, free time periods, etc., have been treated and recommendations provided for their solution.

[fol. 2118] The recommendations herein, if adopted, should, we believe, place the marine terminal industry upon a fair and proper basis and provide it with a reasonable return.

The figures used for land values in the case of the Encinal Terminals and the Howard Terminal were furnished by

E. P. McAuliffe of the Valuation Division. Acknowledgment is also made of assistance furnished by W. C. Fankhauser, Financial Expert of the Commission.

Your attention is called to the fact that the major portion of the total dock facilities in the San Francisco Bay area is controlled by State or Municipal bodies and hence is not subject to the Commission's jurisdiction. Any changes in the present rates, rules and practices of the private terminals can only be made, therefore, with the full cooperation of these bodies. They have, however, expressed their great interest in this investigation and have offered very valuable assistance at every stage of the study.

It is desirable to express appreciation to the various terminal operators, public port bodies, shipper representatives and steamship lines for their full cooperation.

Respectfully submitted, Ford K. Edwards, Transportation Economist. T. G. Differding, Assistant Engineer.

[fol. 2119]                      PART I

*Conclusions as to Rates, Rules and Regulations*

[fol. 2120]                      Chapter I

*Statement of the General Problem:*

The marine terminal operator, or wharfinger, stands at the point of interchange between inland and ocean transportation. His revenues accrue from two principal sources, viz, charges against the cargo and against the ship; and since he provides an indispensable facility which represents not only a large investment but one costly to maintain and operate, he is entitled to a fair and adequate remuneration for such.

However, the conflicting views of shippers and carriers as to their respective responsibilities toward the wharfinger, as well as early competitive practices grown respectable with age, have resulted in port charges and practices varying widely from port to port and from terminal to terminal within the same port.

The complexity of the industry is indicated by the Federal Coordinator of Transportation in his report to Congress upon Transportation Legislation (74th Congress, 1st Session—House Document No. 89, pp. 56-57). He states,

"The diversity of interests represented by those engaged in furnishing wharfing service is so great and the practices which have developed in the industry are so lacking in uniformity as to promote widespread discrimination between those using or desiring to use such services. The industry is suffering from over-expansion of facilities and destructive competition, causing chronically low earnings."

Upon inquiry into the reasons for the existing rates and charges, it became apparent that the reasonable cost of [fol. 2121] rendering the respective services has been of minor consideration and the wharfing, in seeking a source of revenue, has placed the charges on the basis of what he could get and where he could get it. The bargaining power of the respective parties has been a not inconsiderable factor. Rates have never been "scientifically" constructed, no matter how loosely this term may be used. In fact, the wharfing or marine terminal business appears to have been a neglected part of the transportation system as no set of guiding principles covering rates, rules or practices appear to have been laid down or recognized.

No record could be found of any cost analysis used to develop and substantiate the existing rates, with the exception of some cost studies developed to show the inadequacy of existing wharf demurrage and car unloading charges. The statement of one operator that the rates, as far as he knew, were originally "picked out of the air and then revised where the shoe pinched too tightly or to meet competition" may be the answer. Probably from the terminal's standpoint this method sufficed as well as any, provided the gross revenue covered the costs of operation and provided some profit.

Apparently this rate procedure has reached the end of its usefulness. The constant development of new private and public terminals with a consequent diversion of tonnage from older operators and ports, the general effect of the "depression," the continual whittling of the rate level, the offer of gratuitous services under stress of competition, the movement of cargo by truck instead of by rail with consequent loss in car loading and unloading revenues, direct strike costs, and the increase in wages of labor coupled with a decreased labor efficiency have all contributed to the existing situation wherein the present rates provide insufficient revenues. As one operator remarked, "It is

like eating soup with a fork. We work hard enough, but don't seem to be getting anywhere."

The series of interviews held with all operators of terminals developed the fact that the existing charges for the many types of services rendered were established on the trial and error basis. Every existing tariff charge of any significance was questioned as to its reasonableness by one or more terminal operators, carriers or shippers. The terminal operators generally expressed the view that the charges for each service should be proper in themselves and expressed the desire that a fair basis of charges for the account of the cargo and the carriers, respectively, be determined and applied.

The first step in this direction was the segregation of those services and costs rendered for the account of the vessel from those rendered for the account of the cargo.

The second step was (1) the breakdown of the vessel costs into those applicable to dockage, handling lines, sale of water and those miscellaneous cargo services embraced in the service charge item; and (2) the breakdown of the cargo costs into toll, wharf demurrage, car loading and unloading, pool car assembling, stencilling, weighing, strapping, etc., etc.

We find that three factors govern the determination of the rates in the instant case where the product consists, [fol. 2123] not of a commodity, but of a service. They are, (1) the cost of providing the service, (2) the ability of the traffic to pay, and (3) competition. A few explanatory remarks regarding each of these is desirable.

#### *(1) Cost of providing the service:*

This factor was measured by an exhaustive breakdown of all expenditures with each expense allocated to the tariff service in the performance of which the expenditure was incurred. (See Part III, Chapter I, of this report for details.)

#### *(2) Ability of the consumer to pay:*

One of the authors of this report, while standing before the fruit stand in the waiting room of the San Francisco Ferry Building, overheard the following conversation between a potential customer and the fruit vendor:

Customer: (Waving to a display of fancy dried fruits)—“What do you want for this stuff?”

Vendor: “Well—what can you afford to eat it at?”

This, we believe, properly introduces the second rate-making factor of “ability to pay.”

It is somewhat similar to but not identical with the concepts of “value of the service to the consumer,” and “willingness to pay.” A fourth and parallel factor, “charging what the traffic will bear,” is also a proper rate-making principle when properly interpreted, but since it has often been erroneously applied in the sense of “get all you can the easiest way you can,” it has fallen into some disrepute. For purposes of convenience and clarity of intention, the authors shall use hereafter the term “ability to pay.” (See [fol. 2124] Part III, Chapters II and III, of this report for data on ability to pay.)

This the authors have endeavored to measure through checking the sales prices of various commodities in the past several years with the conviction that if the selling price of a commodity has fluctuated \$1, \$10 or \$20 per ton, an increase in the toll charge of ten cents per ton is within the ability of the buyer or seller to pay.

It has also been measured through checking waterborne tonnage records before and after the vessels have imposed rate increases or assessed handling charges.

The best indication as to whether cargo can stand a reasonable and compensatory rate is to assess that rate and see what happens. The steamship lines have provided this so-called laboratory test, the results of which are contained elsewhere in this report.

The authors have endeavored to measure the relative ability of the vessels to pay by noting their rate increases, their assessment of new handling charges, their increase in tonnage, and their profit and loss statements.

### (3) *Competition:*

This factor is akin to Sinbad's Old Man of the Sea. It cannot be shaken, ignored or forgotten. Among the public and private port bodies, where rugged individualism still prevails and harmony is the exception rather than the rule, this factor of competition is a powerful weapon in the hands of an astute shipper. Where there exist no clearance house for an exchange of ideas or even a knowledge of what the

[fol. 2125] other port body is doing, one good rumour started. By a shipper may drive demurrage rates on some commodity down 20 per cent overnight. Furthermore, under the present conditions, the wharfingers will lower their rates this 20 per cent rather than verify the rumour. The final result of such a system is here in evidence.

It is well at this time to add a further comment. Five private terminals and three public port bodies are in more or less bitter competition for vessels and tons in the San Francisco Bay area. The Commission has jurisdiction over the former but not over the latter, although they are co-operating and aiding in this study. Under such circumstances and in fairness to the private terminals, it is recommended that rates ordered for the private terminals be no higher than those which the public bodies in the same competitive position may find desirable to adopt. This, frankly, sets the ceiling.

Before leaving the subject of competition, the following incident should be mentioned. A very large shipper recently approached a small port (located adjacent to a big port), and stated that if the small port would refuse to join in a proposed increase in toll charges at the big port, and would maintain a given differential, all this shipper's tonnage would flow to the little port. Whereupon the little port pointed out three things: First, that it had always had and still had the given differential; secondly, that it had actively solicited this shipper's own plant for tonnage; and, thirdly, that to date it had not received a pound. Whereupon both parties did the only polite thing under the circumstances—they laughed and dropped [fol. 2126] the subject. The moral to this story is not that shippers are uninterested in five cents or ten cents a ton, but that many factors, aside from tolls, govern competitive routing and that one must know fully the facts before being swayed. It also illustrates what a potentially powerful weapon competition may become in an industry having no unanimity of action among its members.

[fol. 2127]

#### Chapter IV

##### *Dockage Charges:*

Dockage is the charge assessed against the vessel for docking at a wharf, pier or seawall structure, or coming within a slip, channel, basin or canal.

This definition differs from the definitions now in effect in that it substitutes the word "docking" for "berthing." The former word has a broader connotation than the latter and is more in accordance with the intent of the tariffs. Furthermore, in the tariffs themselves, the word "berthing" is dropped and the terms "docking," "dockage" and "docked" used wherever the service implies the use of wharf space.

Inasmuch as the terms in the earliest tariffs were loosely drawn and later operators adopted without question the language from such early tariffs that happened to come to hand, it does not appear as out of order at this time to require the language to conform to the thought which the authors believe it is intended to convey. This expression of intent, as described in the previous two chapters, is interpreted as embracing wharf areas up to but not including point of rest.

Applying these dockage principles to the cost studies, there has been obtained for each privately owned terminal an annual sum which represents the cost to that terminal of providing for the vessel the following facilities:

1. Water areas—basins, slips, etc.:

Embraces dredging and the interest and taxes upon the investment in the privately owned land so devoted to wharf-  
[fol. 2128] inger purposes. (Does not embrace any areas beyond the pier head lines nor any areas more than 75 feet out from a quay wall structure, as explained in Chapter III.)

2. 60 per cent of the apron structure, up to a 35-foot width as maximum. (Embraces maintenance, depreciation, return and taxes.)

3. From 85 per cent to 87½ per cent of the land upon which the apron structure rests. (Embraces return and taxes.)

4. 50 per cent of the aisle spaces in the transit shed used by vessel's agents, after deducting all aisles chargeable to demurrage, storage, warehousing, leased areas, etc.

The dockage charges at the East Bay privately owned terminals constitute between 25 per cent and 30 per cent of the total costs of providing the marine terminal plant facili-

ties. (The balance is chargeable to tolls and to demurrage.)

The authors at this point wish to call attention to the fact that the dock facilities at the two largest East Bay private terminals are used by the vessels to a degree of effectiveness that approaches maximum capacity.

The following statistics are offered in support of this:

	Minimum and Maximum Range
Percentage of berth occupancy for 12 working hours of the day, ex- cluding Sundays and holidays	100% to 110%
Percentage of berth occupancy for 24 hours of the day, 365 days in the year	42% to 45%

It is desirable to point out that the costs and proposed [fol. 2129] rates shown herein are predicated upon an effectiveness of plant use equal to that indicated above. Where the efficiency in the use of the plant was found to be much less than that indicated above, the costs per vessel and/or per ton rose rapidly, or indeed skyrocketed.

Turning now to the question of dockage charges, the immediate problem becomes that of taking the annual lump sum cost chargeable to dockage and spreading it, in some manner or other, over the year's volume of traffic. This is where the authors' troubles began and they found themselves sorely in need of an Aladdin's Lamp to derive a basis of charges which would satisfy their desire to apply proper rate-making principles and yet not divert vessels to one or other side of the Bay. Public port authorities, private port authorities, and steamship executives were fully and frequently contacted and every source of experience, judgment and assistance given serious consideration.

The following factors had to be weighed:

1. The dockage charges, on the basis of the tons loaded and discharged, range between 9 cents and 11 cents per ton, with the average at 10 cents.

2. The dockage costs spread over the gross registered tonnage of the vessels calling over a year's period at each of the East Bay private terminals would range from 0.675 cents to 1.054 cents, and average 0.865 cents per ton.

[fol. 2130] 3. The dockage costs spread over the net registered tonnage would range from 1.093 cent to 1.710 cents and average 1.402 cents.

4. The concept of dockage at the East Bay (as outlined in Part I, Chapter II), varies from the concept of dockage at San Francisco. At the former the vessels pay no monthly rentals for working spaces utilized and the dockage charge should therefore embrace such. At the latter the vessels pay a monthly rental of from 0.6 cents to 1.2 cents per square foot per month and while this is viewed as a privilege charge, yet the funds so derived may contribute in whole or in part toward the cost of the previously described working areas which have been charged to the vessel. At least an examination of the cost data and tonnage records of representative steamship operations having pier assignments at San Francisco indicate such could be the case. In other words, the San Francisco concept of dockage apparently embraces merely the use of the slip areas up to and including the fender lines and sufficient apron space to tie up to, but no working areas beyond that; and, considering the fact that a rental is paid, this appears proper. The present scale of dockage charges at San Francisco, if placed on a per cargo ton basis at representative steamship piers and compared with the cost data found at the East Bay terminals, could be considered for the purposes in hand to compensate for the working areas used by the vessel on the apron and in the sheds.

[fol. 2131] 5. A dockage charge on the basis of the tons loaded and discharged does not adequately reflect the following:

(a) Cost of providing water (slip and basin) areas and fender lines.

(b) The quickness or slowness with which a vessel may be loaded or discharged.

(c) The cost of providing facilities to which a vessel may tie up overnight, Sundays, while taking on stores and supplies, or while otherwise lying idle.

(d) The cost of providing facilities to the vessel that serves in part or in whole passengers only, and where tonnage is a small or insignificant factor. (The East Bay terminals do not serve passenger vessels.)

6. The dockage charge based upon the gross or net registered tons of the vessel or upon the size of the vessel does not fully reflect the cost of providing working areas utilized by the vessel in loading or discharging cargo.

7. A uniform dockage charge based wholly upon the size of the vessel (gross or net registered tons), would either fall short of the necessary revenues at certain terminals or overshoot it at others due solely to the difference in the number of tons of cargo received or discharged at each of the different terminals. A check for a year's period was made of each vessel calling at each of the private terminals. A record was taken of the gross and net registered tonnage of the vessels, the tons loaded and discharged and the hours and minutes of berth occupancy. This study disclosed that [fol. 2132] the average tons loaded or discharged varies widely between the terminals. For every 100,000 tons of cargo discharged or loaded, many more vessels call at one terminal than at another although the vessels may be of the same average size.

8. Neither the cargo tonnage basis nor the Gross or net registered tonnage basis reflects adequately the situation where a vessel desires for its own purposes the exclusive or semi-exclusive use of a facility for the benefit of its vessels and its organization (as at San Francisco).

9. The vessels calling at East Bay terminals remain for periods ranging from thirty minutes to four days. Eighteen per cent stay less than four hours. The majority (56 per cent) stay less than ten hours. The classification of vessels according to hours of stay is as follows:

				Per Cent
Vessels occupying berth	4 hours or less			18.3
"	"	"	over 4 to 6 hours	21.3
"	"	"	over 6 to 8 hours	9.1
"	"	"	over 8 to 10 hours	7.3
"	"	"	over 10 to 12 hours	5.7
"	"	"	12 hours or under	62.0
"	"	"	over 12 to 24 hours	27.0
"	"	"	24 hours or under	89.0

In view of the fact that as many as three vessels may use each berth in a working day, the twenty-four hour dockage basis could not physically be applied. If any appreciable number of the vessels occupied the berths for the full time on a twenty-four hour rate, the terminals could not function.

[fol. 2133] 10. No attempt is here made to change, alter or artificially influence the present flow of vessels and tonnage through the various ports upon San Francisco Bay.

11. At the present time approximately 75 per cent of what should constitute a compensatory dockage charge is embraced in the present service charges at the East Bay terminals.

12. The remaining 25 per cent is approximately equal to the revenues which would be derived if the present system of dockage charges at San Francisco were applied with the following exceptions:

(a) That half dockage be applied on Coastwise vessels, both while loading and discharging, instead of upon vessels loading only. A consideration of (1) cost, (2) ability to pay, and (3) competition do not warrant such differentiation at East Bay terminals.

(b) That the time be broken down into four-hour periods.

Upon a review and analysis of all the above factors, the authors of this report conclude as follows:

I. That the present dockage charges now contained in the service charges should be left there. It provides compensation for space used and may be considered analogous to the rental charges at San Francisco.

II. That the remaining dockage costs be assessed upon approximately the same basis as at San Francisco, but with the day broken down into four-hour units.

[fol. 2134] In accordance with these conclusions, the following dockage charges, rules and regulations are recommended:

Item  
No.

1. Definition of Dockage Charges:

The charge assessed against a vessel and/or watercraft for docking at a wharf, pier or seawall structure, or moored to a vessel so docked, or coming within a slip, channel, basin or canal.

2. Basis for Charges:

Ocean-going vessels shall have dockage assessed based upon net registered tonnage. Other than ocean-

going vessels and all watercraft engaged in inland waterway trade, except lighters, shall have dockage assessed based upon under-deck tonnage measurement (See Item No. 5 for rates on lighters.)

### 3. Charges on Vessels Engaged in Inland Waterway Trade:

#### (a) Full Dockage Rate:

Vessels, other than lighters, engaged in inland waterway trade will be charged full dockage rate of 2 cents per ton per day of 24 hours or part thereof, for the first 200 net registered tonnage, or under-deck tonnage measurement of the vessel, as provided for in Item No. 2, and  $\frac{3}{4}$  cents for each additional ton when occupied as specified below:

1. Vessel docking at a wharf and discharging or taking on passengers and baggage.
2. Vessels that are engaged in towing.
3. Vessels engaged in carrying passengers only.
4. Vessels carrying neither freight nor passengers.

#### (b) Half Dockage Rate:

Vessels, other than lighters, engaged in inland waterway trade will be charged half dockage rate of 1 cent per ton per day of 24 hours or part thereof, for the first 200 net registered tonnage, or under-deck tonnage measurement of the vessel, as provided for in Item No. 2, and  $\frac{3}{8}$  cents for each additional ton when occupied as specified below:

[fol. 2135] 1. Vessel docking at a wharf discharging and/or loading cargo.

2. Vessel docking at a wharf and taking on stores, supplies, bunkering fuel, watering, fumigating, or undergoing repairs.

3. Vessel docking at a wharf while lying idle.

4. Vessel while receiving or discharging ballast, or receiving stiffening.

5. Vessel while lying outside of a vessel at a wharf (outside berth), discharging, loading or lying idle.

#### 4. Charges on Vessels Engaged in Coastwise or Off-shore Trades:

(a) Except as otherwise provided, dockage shall be charged on vessels in Coastwise and off-shore trades, as follows:

Net Registered Tons		Dockage Rates	Rate for 24-hour day
From	10 to 250 inc.		\$2 25
"	251 to 500 "		4 50
"	501 to 1,000 "		6 00
"	1,001 to 1,500 "		7 50
"	1,501 to 2,000 "		9 00
"	2,001 to 2,500 "		12 00
"	2,501 to 3,000 "		15 00
"	3,001 to 4,000 "		18 00
"	4,001 to 5,000 "		21 00
"	5,001 to 6,000 "		24 00
"	6,001 to 7,000 "		27 00
"	7,001 to 8,000 "		30 00
"	8,001 to 9,000 "		33 00
"	9,001 to 10,000 "		36 00

(b) Vessels of over 10,000 net registered tons shall be charged dockage in addition to the above charge of \$36.00 at the rate of \$3.00 per day for each additional 1,000 net registered tons or fraction thereof. In computing dockage charges in all cases, sixths of days only shall be considered and charged for, in the manner as follows, to-wit:

[fol. 2136] 1. Four hours or less shall be charged one-sixth of one day's dockage.

2. Over four and not more than eight hours shall be charge two-sixths of one day's dockage.

3. Over eight and not more than twelve hours shall be charged three-sixths of one day's dockage.

4. Over twelve and not more than sixteen hours shall be charged four-sixths of one day's dockage.

5. Over sixteen and not more than twenty hours shall be charged five-sixths of one day's dockage.

6. Over twenty and not more than twenty-four hours shall be charged one day's dockage.

(c) No charge for dockage under this item shall be less than Two Dollars (\$2.00) in any case.

### 5. Charges on Lighters:

(a) Lighter dockage rate is 1 cent per ton net tonnage per day of 24 hours or part thereof.

(b) A lighter is understood to be a vessel which has neither power nor steering equipment; however, watercraft engaged exclusively in stevedoring, rigging or hoisting will be granted lighter rates.

### 6. Rates When a Vessel Changes Position:

Where a vessel changes her status whereby she is entitled to a different dockage rate, the dockage rate in effect at the time the changed status takes place shall continue to be charged until the expiration of the time period during which such change takes effect and subsequent time shall be charged at the changed rate.

### 7. When Dockage Commences:

Dockage shall commence upon a vessel when making fast to a wharf, pier or seawall structure, or moored to a vessel so berthed, or coming within a slip, channel, basin or canal, and shall continue until such vessel is completely freed from and has vacated the berth.

No deductions shall be made for Sundays, holidays, or on account of weather conditions.

### [fol. 2137] 8. Per Diem Dockage Multiple:

When per diem dockage of a vessel is not a multiple of five, it must be reduced or increased, as the case may be, to the nearest such multiple; provided, that if it be equally near to two such multiples, it must be increased to the first such multiple above.

### 9. Vessels Shifting, Moving and Returning During Dockage Period:

(a) When a vessel of any kind is charged dockage at a wharf for a full day of 24-hours, she may use the same or any other wharf operated by this (*name of wharfinger*) during that day without further charge, no matter how often she may leave and return.

(b) When a vessel is shifted directly from one wharf to another wharf, and dockage is charged for on a period of sixths of days, the total time at such berths will be considered together in computing the dockage charge.

[fol. 2138]

Proposed Basis for Dockage Charges at East Bay Terminals for All Ocean-Going Vessels Loading or Discharging Cargo

Net Registered Tons of Vessel	Rate For 24 Hours	Four Hours or less	Over 4 Hours and not more than 8 Hours	Over 8 Hours and not more than 12 Hours
20 to 500	\$4.50	\$2.00	\$2.00	\$2.25
501 to 1,000	6.00	2.00	2.00	3.00
1,001 to 1,500	7.50	2.00	2.50	3.75
1,501 to 2,000	9.00	2.00	3.00	4.50
2,001 to 2,500	12.00	2.00	4.00	6.00
2,501 to 3,000	15.00	2.50	5.00	7.50
3,001 to 4,000	18.00	3.00	6.00	9.00
4,001 to 5,000	21.00	3.50	7.00	10.50
5,001 to 6,000	24.00	4.00	8.00	12.00
6,001 to 7,000	27.00	4.50	9.00	13.50
7,001 to 8,000	30.00	5.00	10.00	15.00
8,001 to 9,000	33.00	5.50	11.00	16.50
9,001 to 10,000	36.00	6.00	12.00	18.00

Net Registered Tons of Vessel	Over 12 Hours and not more than 16 hours	Over 16 Hours and not more than 20 hours	Over 20 Hours and not more than 24 hours
20 to 500	\$3.00	\$3.75	\$4.50
501 to 1,000	4.00	5.00	6.00
1,001 to 1,500	5.00	6.25	7.50
1,501 to 2,000	6.00	7.50	9.00
2,001 to 2,500	8.00	10.00	12.00
2,501 to 3,000	10.00	12.50	15.00
3,001 to 4,000	12.00	15.00	18.00
4,001 to 5,000	14.00	17.50	21.00
5,001 to 6,000	16.00	20.00	24.00
6,001 to 7,000	18.00	22.50	27.00
7,001 to 8,000	20.00	25.00	30.00
8,001 to 9,000	22.00	27.50	33.00
9,001 to 10,000	24.00	30.00	36.00

Minimum dockage charge shall not be less than \$2.00.

For purposes of comparison we have shown on the following page present half dockage rate charges in effect at the San Francisco piers and terminals. Rates are based upon the actual net registered tonnage measurement of the vessel at San Francisco instead of group rating as above.

[fol. 2139]

Present Half Dockage Charges at San Francisco Piers and Terminals

Note: The term "ton" means the net registered tonnage of vessel.

Tons	Charge	Tons	Charge	Tons	Charge	Tons	Charge
200	\$2.00	300	\$2.40	400	\$2.75	500	\$3.15
600	3.50	700	3.90	800	4.25	900	4.65
1,000	5.00	1,100	5.40	1,200	5.75	1,300	6.15
1,400	6.50	1,500	6.90	1,600	7.25	1,700	7.65
1,800	8.00	1,900	8.40	2,000	8.75	2,100	9.15
2,200	9.50	2,300	9.90	2,400	10.25	2,500	10.65
2,600	11.00	2,700	11.40	2,800	11.75	2,900	12.15
3,000	12.50	3,200	13.25	3,400	14.00	3,600	14.75
3,800	15.50	4,000	16.25	4,200	17.00	4,400	17.75
4,600	18.50	4,800	19.25	5,000	20.00	5,200	20.75
5,400	21.50	5,600	22.25	5,800	23.00	6,000	23.75
6,200	24.50	6,400	25.25	6,600	26.00	6,800	26.75
7,000	27.50	7,200	28.25	7,400	29.00	7,600	29.75
7,800	30.50	8,000	31.25	8,200	32.00	8,400	32.75
8,600	33.50	8,800	34.25	9,000	35.00	9,200	35.75
9,400	36.50	9,600	37.25	9,800	38.00	10,000	38.75

The San Francisco half dockage rate is 1 cent per ton per day of 24 hours, or part thereof, for the first 200 net registered tonnage and  $\frac{3}{8}$  cents for each additional ton. Such half dockage rate applies on all offshore vessels loading or discharging at assigned piers and terminals; and coastwise vessels (1) arriving with no cargo on board docking at any wharf and loading cargo, or (2) arriving with cargo on board docking at any wharf and loading cargo in excess of  $\frac{1}{5}$  the net registered tonnage of such vessel. Full dockage rate, which is 100 per cent greater than the half dockage rate, applies on coastwise vessels discharging cargo or when arriving with cargo on board and loading additional cargo in amounts less than  $\frac{1}{5}$  the net registered tonnage of such vessel.

[fol. 2140] The above treatment of dockage has been from a "cost of providing the service" standpoint; but now a second question arises—Is this increase, averaging between two cents and three cents per ton, within the ability of the steamship lines to pay? The authors believe that it is.

While the subject of the vessel's ability to pay is treated more fully in Part III, Chapter III, the following items are to be noted. The Intercoastal lines, effective October 3, 1935, enjoyed increases averaging approximately \$1.00 per ton. The European lines enjoyed a similar increase in many items. The Offshore lines, since the first of the year have assessed a forty-cent handling charge on all items not received at ship's tackle. Most trades have enjoyed increases in tonnage. It is true, at the same time, that vessel costs have increased greatly, particularly on their shore operations. Nevertheless, it is believed, after consideration of the above items, that the increases here proposed are within the ability of the vessel to pay.

A third rate factor—competition—must be considered. The rates proposed herein will tend to place San Francisco and the East Bay in a more equally competitive position than has heretofore existed. It places the dockage charges on a more nearly comparable basis at all Bay terminals and piers.

[fol. 2141]

## Chapter V

### *Tolls:*

Tolls is the charge for cargo conveyed on, over, or through a terminal facility, or loaded or discharged while

the vessel is berthed at a terminal facility. It is a charge against the cargo although in practice it is assessed against and collected from the steamship companies who, in turn, collect it from the shipper or consignee. The charge for tolls at present is five cents per ton on Coastwise and Inland Waterway cargo and fifteen cents per ton in all other trades. In addition a limited number of specific commodity rates are quoted in all trades:

The authors of this report are acting upon the premise that the toll is the cargo's payment to the wharfinger for facilities used and that the charge should be commensurate with the cost of furnishing such facilities. The specific costs embraced in the toll charge are enumerated in Part I, Chapter III, of this report.

The cost of providing the necessary dock, shed, track, roadway and land facilities used by the cargo averages between twenty-one cents and twenty-two cents per total ton handled. The present average toll revenues approximates eleven cents per ton.

This total tonnage, however, at present embraces the following cargoes:

[fol. 2142] <i>Commodity</i>	<i>Present Toll</i>
	(Rate per 2,000 pounds)
Bulk cargo, handled direct between the vessel and car, as named in present tariffs	<div> <div>5¢ Coastwise Trade</div> <div>10¢ Offshore Trade</div> </div>
General Merchandise Cargo	<div> <div>5¢ Coastwise Trade</div> <div>15¢ Offshore Trade</div> </div>

The practical problem thus becomes that of breaking down an average overall cost of from twenty-one cents to twenty-two cents per ton into the various classes of commodities indicated above. The factors to be considered in such a breakdown are the following:

#### 1. *Cost of providing the service:*

Certain of the above commodities on an inbound movement are handled across the apron into the transit sheds and from there are subsequently loaded to rail cars or to the consignee's trucks. Such tonnage makes full use of the cargo facilities.

Other commodities, such as bulk sand, clay and clalk, etc., are discharged directly to rail cars on the apron and

never enter the transit sheds. To determine the facility costs upon such direct handled tonnage, the following costs are to be used:

(a) 40% of all apron costs up to 35 feet width and 100 per cent of all apron costs beyond this. This embraces all apron construction which is solely for the benefit of direct loading to rail cars.

(b) Approximately 15 per cent of the total carrying charges on land under the aprons.

[fol. 2143]. (c) A portion of the total costs on lead tracks used in reaching both apron high line tracks and shed depressed tracks. The costs are prorated on a tonnage basis.

(d) All additional lands and facilities whose use is peculiar to the direct loading of cars.

(e) A portion of the office and management supervisorial costs chargeable to toll and prorated between direct loaded cargo and shed cargo on a tonnage basis.

The toll charges on such cargo would naturally vary with the number of tons handled. If the tonnage loaded directly to cars sharply increased, the fixed trackage and apron costs per ton would fall. If such tonnage declined, the costs per ton would rise. Hence, in determining relative costs, the volume of tonnage moving is significant.

At the general cargo facilities of the three privately operated terminals between 25 per cent and 30 per cent of all tonnage was handled directly to cars during 1935. At no one terminal did the percentage differ from this 25 per cent to 30 per cent value. (Note: liquids handled entirely through pipe lines are here excluded from consideration.)

The authors of this report find that upon the use of the above proportion of direct-loaded tonnage to total tonnage, the facility costs average between seventeen cents and eighteen cents per ton. Taking all remaining facility costs and dividing them by the remaining tonnage enjoying the use of the transit sheds, the toll charge averages between twenty-two cents and twenty-three cents per ton.

[fol. 2144] 2. *Ability to pay:*

(See Part III, Chapter III, for the general treatment upon the subject of the cargo's ability to pay.)

The factor of ability to pay yields a strong influence in the determination of toll charges.

(a) Consider first the Coastwise and Offshore Trades: Today the toll charges are five cents and fifteen cents per ton respectively on general cargo. The reason for this differential had nothing to do with the cost of serving the two trades. It arose solely from an application of "what the traffic will bear" factor. (See Page 19 of Preliminary Report).

Regardless of the reason for the original five cents toll, there can be no doubt but that under the present highly competitive and disruptive conditions, Coastwise carriers and the cargoes have adjusted themselves to the five-cent charge; and, whereas a ten-cent increase up to a 15-cent toll is felt justified, an additional increase to 25 cents, even though desirable from a cost standpoint, may well be more than the traffic can bear.

Certainly the service is worth no more to the shipper than the cost of an equivalent transportation service by rail or truck and as the charges at the present moment via all three methods of transportation are in somewhat of a balance, the authors of this report hesitate to recommend too abrupt a change.

Furthermore, the hauls are short with the rates low and a ten-cent or twenty-cent increase per ton bulks larger to the shipper than in the instance of Intercoastal or Foreign [fol. 2145] movements.

There is the further factor, to be mentioned from a cost standpoint, that only five days' free time is recommended (See Part II, Chapter VII), for the Coastwise and Inland Waterway trades as compared with seven days for the Offshore trades. Hence the former trades receive as a maximum approximately thirty per cent less time use of the transit sheds than the latter. The above factors, in the minds of the authors of this report, justify the maintenance of a ten-cent spread between the Coastwise (and Inland Waterway) trades on the one hand and the Offshore trades on the other.

(b) Concerning the ability of all tonnage to bear a horizontal ten-cent per ton increase: It is believed that where the total charge for a service is but a relatively small percentage of the selling price of that commodity, the factor of cost of providing the service becomes of greater significance relative to "ability to pay" than in those instances

where the charge for the service forms a major part of the selling price.

This situation holds true in the instance at hand where the proposed ten-cent per ton increase is but one-tenth of one per cent of the selling price, f.o.b. dock of many types of cargo, such as canned goods, averaging \$100 per ton.

The ten cents per ton constitutes but one-quarter of one per cent of the selling price of such bulk commodities as ammonia phosphate (\$40 per ton), nitrate of soda (\$35 per ton), copra (\$40 per ton), etc. It constitutes but 1.7 [fol. 2146] per cent of the sales price of such very low grade commodities as Belgium silica sand (\$6.00 per ton). (See Part III, Chapter III, for price data and further discussions). The prices quoted above are average 1936 prices, f.o.b. the docks on San Francisco Bay.

The authors are concerned, however, not only with the ratio of the ten-cent toll increase to the 1936 prices, but as to whether the increase will prove disruptive to any industry, whether a seller or a buyer. Silica sand, for example, has in the past two years fluctuated as much as \$1.00 per ton (upward). If the consumers can successfully withstand such increases or such fluctuations, ten cents per ton should not be beyond the ability of the consumer (or buyer) to pay. In the past three or four years the price on wrapping paper has increased more than \$5.00 per ton; sesame seed, \$5.00 per ton; copper ingots over \$60.00 per ton; dried peaches (choice) over \$50.00 per ton; and canned fruits from \$5.00 to \$6.00 per ton.

On the other hand, it must be noted that some products have declined in price in the past few years. Sulphate of potash prices dropped from approximately \$47.50 per ton to nearly \$33.00 per ton between 1932 and 1935. Dried raisins (Thompson Fancy), dropped from \$105.00 per ton to \$95.00 per ton between 1934 and 1935. Domestic newsprint dropped from approximately \$50.00 per ton to nearly \$40.00 per ton between 1932 and 1935.

The belief that the cargo can stand the toll increases herein proposed is not and cannot be based merely upon past or expected price increases. It is realized that tolls [fol. 2147] constitute probably the most inflexible of rates. The five-cent toll in San Francisco Bay has not been changed in the last sixty years. This is not because five cents per ton is a compensatory rate, but because in the past it has been easier to raise revenue by assessing other

services, and because it is difficult for a large group of public and private bodies to act in unison.

If the toll charges proposed herein are adopted, it is to be expected that they may have to weather several "ups" and "downs" in prices during the periods to come; but the authors feel that after viewing the recent price fluctuations, a ten-cent per ton toll increase will not overtax any cargo's ability to pay.

The final or "acid" test, of course, of ability to pay is to put the charges into effect and see what happens. Such a test has been provided in good measure by the steamship lines. In October, 1935, the Intercoastal lines put into effect rate increases averaging about \$1.00 per ton. A check of the tonnage so affected (taken from Los Angeles Harbor Department records—See Part III, Chapter III, of this report), has been made for the three months prior to that increase and for the corresponding period a year later. Some tonnage increased and some tonnage decreased and, of course, other factors had their influence; but there is no apparent correlation between the rate increase and tonnage fluctuations.

Another test has been provided in the Foreign trades by the assessing of the forty-cent per ton handling charge [fol. 2148] effective since the first of this year. Although it has been in effect only a short period, there is no indication of it having discouraged cargo.

To sum up, it is the conclusion of the authors, after consideration of the above facts, that the increases proposed herein are within the ability of the cargo to pay.

### 3. *Competition:*

A third factor is that of competition. Each of the San Francisco Bay port areas and terminals is in bitter competition with the others for tonnage. The whole area is likewise in competition with the ports to the south and the ports to the north on certain hinterland traffic and on trans-continental import and export traffic.

Competition is potentially effective on certain bulk commodities where an increase in toll charges may drive traffic to the rails or to the trucks. Its influence is felt in the Coastwise and Inland Waterway trades and this, with other factors, explains the lower toll proposed in these trades than in the Offshore trades.

Upon a consideration of all the above outlined rate factors, the authors of this report recommend that the following scale of toll charges be adopted:

- (1) Coastwise and Inland Waterway Trade (All cargo) ..... 15¢ per 2,000 lbs.
- (2) Offshore Trade (General Merchandise Cargo) ..... 25¢ per 2,000 lbs.
- (3) Offshore Trade (Bulk cargo, handled direct between the vessel and car as named in present tariffs) ..... 20¢ per 2,000 lbs.

[fol. 2149] The average of the above rates, weighted by the tons moving in each of the classification-, approximates very closely the cost of providing the service.

It is further recommended that the full toll should apply on barged cargo. The cost to the terminal is there, regardless of whether the vessel calls directly or a barge picks it up.

It is further recommended that any cargo removed from the possession of the terminal while awaiting trans-shipment shall pay a second toll.

[fol. 2150]

## Chapter VI

### Service Charges:

The service charge in effect at the East Bay terminals and at the San Francisco Terminal and State Terminal, Ltd., in San Francisco, is a charge assessed against the vessel for one or more of the following services rendered:

1. Arranging berth for vessel.
2. Arranging cargo space on wharf.
3. Checking cargo to or from vessel as required.
4. Receiving outbound cargo from shipper.
5. Delivering inbound cargo to consignee.
6. Preparing manifest or tags covering cargo loaded aboard vessel.
7. Preparing "over," "short" and "damage" reports.
8. Ordering cars.
9. Giving information to shippers and consignees regarding cargo, sailing and arrival dates of vessels.
10. Lighting wharf.

These services do not include any labor for handling cargo. The present rates range from 25 cents to 50 cents per ton in the various steamship trades with the major portion, except bulk cargo, moving outbound in the Intercoastal and Foreign trades under a charge of 40 cents. The inbound charges in these two trades is 50 cents. On bulk cargo handled direct from ship to car or vice versa, the charge ranges from 10 cents to 15 cents per ton with the greater portion handled at the ten-cent rate.

It was stated in the preliminary report that an approach to the service charge question required resort to cost accounting in order that the propriety of the charges be checked. Hence the first approach to the problem is from [fol. 2151] the standpoint of cost. This has been done and there follows herewith such cost data as are required to substantiate recommendations that follow.

A check of the over-all average cost of performing the services at each of the five private terminals may well reveal values ranging from 26 cents to 38 cents per ton. Such blanket averages, however, are meaningless from a rate making standpoint for they embrace in one figure the costs on many types of cargo now moving under 10¢, 15¢, 20¢, 25¢, 27½¢, 30¢, 40¢ and 50¢ rates. The problem then becomes that of finding the costs for each type of cargo to the end that the above spread of rates can be checked or adjusted.

The first step is that of breaking down the tonnage into three or four natural groups upon the basis of the amount of services each group requires from the wharfinger who is acting as the agent for the steamship company in checking, receiving and delivering the goods.

Three such groups follow:

- (1) General cargo moving through the transit shed.
- (2) General cargo handled directly to and from rail cars upon the apron.
- (3) Bulk cargo handled directly to and from rail cars on the apron (as sand, copra, chalk and sulphur).

If, for example, a terminal handles tonnage in all three of the above groups at an average cost of 30 cents per ton, this figure must be broken down and the cost isolated for each of the three groups before it becomes useful in estab-

[fol. 2152] lishing rates. This was done. The procedure was as follows:

The services required for a ton of general cargo checked from the vessel and deposited at point of rest in the transit shed and subsequently, within the free time period, checked to the consignee were considered as constituting a complete 100 per cent service. This inbound ton, it is assumed, enjoys the complete service called for in the tariff. It has been checked twice, once from the vessel and a second time to the consignee. It has required a full quota of dock supervision, watchmen service, accounting and billing, clerical paper work, stationery and postage, telephone and telegraph, etc.

Now consider a second ton of general cargo loaded directly into a rail car on the apron. One checking instead of two suffices; hence only 50 per cent of a "complete service" is required for checking. The supervisory costs are likewise reduced. The costs of shed, watchmen and sweeping are completely eliminated. It takes only 30 per cent of the clerical work of the ton above; but, on the other hand, it takes a full quota of the accounting and telephone and telegraph expense.

Consider now a third ton—a ton of bulk cargo loaded directly from the vessel to a rail car on the apron. An example would be a ton of coke or a ton of Belgium silica sand. It, too, will require only one checking service. In fact, it will not require as much checking expense as will the second ton mentioned above for one clerk may watch two or three ship hatches at a time on bulk cargo. More tons per clerk-hour may be handled. The authors estimate that this ton will take only 50 per cent of the second ton's checking expense and 25 per cent of a "complete checking [fol. 2153] service." It will also take a less than "complete service" on the remaining items.

With this brief background, there is presented below a study of service charge costs which reflects the costs at four private terminals. (For the allocation of terminal expenses against the service charge item, see Part III, Chapter I; of this report).

1. *Proportion of a "complete" service taken by the three groups of cargo mentioned above:*

It is assumed for all practical purposes that Column (3) consumes a 100 per cent portion of the items listed.

Costs	Bulk Loaded Direct % of (3) (1)	General Cargo Loaded Direct % of (3) (2)	General Cargo Moved Through Shed (3)
<b>Direct Dock Costs:</b>			
(1) Labor Checking:	25%	50%	100%
Explanation: In loading direct, the checking to and from consignee is eliminated; hence the checking cost is cut 50 per cent on general cargo. (See Column (2) above.) On bulk cargoes loaded direct, it is assumed that the cost per ton is again cut in half. These estimates are based upon a study of terminal operations and the judgment of the authors of this report.			
(2) Miscellaneous Dock Labor:	None	None	100%
Explanation: This consists of occasional handling or assembling of cargo due to partial or incomplete deliveries by consignees or the honey-combing of piles by stevedores. It only occurs on cargo lying within the shed.			
[fol. 2154]			
<b>Indirect Costs:</b>			
(1) Salaries:			
(a) Managers & Superintendents	15%	37%	100%
Explanation: Based on previous allocations of dock labor costs.			
(b) Sales and Solicitation	20%	100%	100%
Explanation: Bulk cargo handled in large lot shipments requires less solicitation per ton than the average general merchandise cargo. Based on authors' estimate.			
(c) Permit and Manifest Clerks	15%	30%	100%
Explanation: Clerical work in making up dock manifests; dock receipts; loading lists; over, short, and damage reports; etc. Cargo not passing through the transit shed does not require all these services.			
(d) Accounting Expense	100%	100%	100%
(e) Messengers	20%	40%	100%
(2) General Costs:			
(a) Claims	None	None	100%
Explanation: Claim costs embrace only claims on shed cargo chargeable to service charges.			
(b) Insurance Premiums	10%	20%	100%
Explanation: A judgment estimate based upon an examination of the ten to twelve policies carried by each terminal.			
[fol. 2155]			
(c) Upkeep Messenger's Car	20%	40%	100%
(d) Tel. and Tel.	100%	100%	100%
(e) General Supplies	5%	10%	100%
(f) Heat and Light for the Office	100%	100%	100%
(g) Watchmen (Shed)	None	None	100%
(h) Janitors (Office)	100%	100%	100%
(i) Sweepers (Shed)	None	None	100%
(j) Dock Lights	100%	100%	100%
(k) Bad Debts	100%	100%	100%
Explanation: Embraces only uncollectible items against the vessel.			
(l) Legal Expense	100%	100%	100%
(m) Tariff Services	100%	100%	100%
(n) Maintenance, Depreciation, Taxes and 7% Return on Office Space, Furniture, Fixtures and Equipment	60%	70%	100%
Explanation: Embraces only those items and areas devoted to the rendering of vessel services. The above percentages reflect the result of a much more detailed breakdown of this item.			

[fol. 2156] The second step is that of taking the total annual terminal cost for each of the expense items listed below and breaking that cost down into the proportions indicated, with proper weighting, of course, for the volume of tonnage moving in each group.

It is not intended or desired to set forth herein the specific costs of each terminal. Furthermore, a mathematical average for the five terminals would be misleading for three reasons:

1. No two accounting systems or classification of accounts were found to be the same and hence comparisons could be safely made only after a study of those items which have gone into each individual account.

2. Such an average would neither reflect nor permit of an appreciation of the differences in the character of tonnage each terminal receives. For example, there is a wide variation even in the cost of handling general cargoes alone, depending upon the nature of the cargoes and whether they are moving in small lots to many shippers or arriving in large lots destined for a few shippers. These factors vary appreciably at the different terminals.

3. The proportion of tonnage consisting of (1) bulk handled directly to cars, (2) general cargo handled directly to cars, and (3) general cargo handled through sheds varies so much for each terminal that a composite figure is meaningless.

With this explanation, there is presented below an illustration of the procedure.

[fol. 2157] Having the annual cost of each item, the tonnage moving in each of the three groups, and the proportionate amount of service each group consumes of each cost item, the cost per ton is directly obtainable.

An illustration follows with some representative costs drawn from the terminal's books, but with adjustments for the tonnage shown herein. The costs per ton are typical.

Typical Cost Items	Total Annual Cost	Bulk Tonnage Direct to Cars 10,000 Tons		General Cargo Direct to Cars 22,000 tons		General Cargo Through Shed 68,000 tons		Over-all Average 100,000 Tons	
		% of (3)	Cost Cents Per Ton	% of (3)	Cost Cents Per Ton	100%	Cost Cents Per Ton	Cost Cents Per Ton	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Labor Checking	\$10,000	25%	3 1	50%	6 2	100%	12 3	10 0	
Misc. Dock Labor	2,000	None		None		100%	2 9	2 0	
Permit and Manifest Clerks	3,400	15%	0 7	30%	1 4	100%	4 5	3 4	
Accounting Expense	1,000	100%	1 0	100%	1 0	100%	1 0	1 0	
Claims	450	None		None		100%	0 7	0 4	
Salaries Solicitation	1,400	20%	0 3	100%	1 5	100%	1 5	1 5	
Other Soliciting Expense	500	20%	0 1	100%	0 5	100%	0 5	0 5	

Note: Values two places or more beyond the decimal were dropped in the above illustration.

The over-all average costs for the 100,000 tons are thus broken down into the costs for each class of tonnage. For [fol. 2158] example, the average checking cost of ten cents per ton becomes a cost of 3.1 cents, 6.2 cents and 12.3 cents for the three classes of tonnage, respectively.

The mathematical method used to derive the cost per ton is as follows, using as an example the above labor checking cost of \$10,000 and for simplicity substituting directly the respective percentages, i.e., 25%, 50% and 100%, for this item:

Let  $x$  = the cost per ton upon cargo enjoying a full service, i.e., general cargo moving through the shed. (See Col. 3.)

Then  $0.25x$  = cost per ton on bulk cargo loaded directly to cars. (See Col. 1.)

And  $0.50x$  = the cost per ton on general cargo loaded directly to cars. (See Col. 2.)

Also: Let  $b$  = bulk tonnage.

“  $d$  = general cargo tonnage loaded direct.

“  $s$  = general cargo tonnage handled through shed.

Then:  $0.25x(b) + 0.5x(d) + x(s) = \text{Total Cost}$

Or:  $0.25b + 0.5d + s = \text{Total Cost}$

$$\text{Or: } x = \frac{\text{Total Cost}}{0.25b + 0.5d + s}$$

Substituting actual costs and the tonnages from the checking item:

$$x = \frac{\$10,000}{0.25 (10,000) + 0.5 (22,000) + 68,000}$$

$$\text{Or: } x = \frac{\$10,000}{81,500} = 12.3\text{¢}$$

Hence: A general cargo ton handled through the shed cost 12.3¢.

A general cargo ton loaded direct to cars cost 50% of 12.3¢ or 6.2¢.

A ton of bulk cargo cost 25% of 12.3¢ or 3.1¢.

[fol. 2159] This procedure was followed for each of the items into which the service charge was broken down. At

the Howard Terminal a fourth grouping was introduced to determine the service charge cost on low grade bulk products handled only in volume through the bunkers at this terminal, the only public facilities of their kind on the Bay. The purpose of the authors in making such a study was to lay bare sufficient facts and information concerning the construction and "build-up" of the service charge rates that guess work could be reduced to a minimum.

There are listed below the individual items of cost entering into the construction of the service charge, upon each of which the above studies were conducted. The variability in the classification of the accounts at the different terminals explains any apparent duplication.

#### Direct Dock Costs:

1. Labor Checking.
2. Miscellaneous Dock Labor.
3. Compensation Insurance.
4. Social Security Taxes.

#### Indirect Costs:

##### Salaries:

1. Salaries of Managers and Assistants.
2. Sales and Solicitation.
3. Accounting and Billing.
4. Steamer Service or Permit and Manifest Clerks.
5. Timekeeper.
6. Telephone Operator.
7. Messengers.

#### [fol. 2160] General Expenses:

1. Telephone and Telegraph.
2. Reconditioning.
3. Watchmen.
4. Solicitation Expense.
5. Advertising.
6. Stationery and Printing.
7. Postage.
8. Messenger's automobile.
9. Commutation.
10. Office Janitor Service.
11. Electricity and Gas—Office.

12. Water and Lights—Office.
13. Water on the Dock.
14. Dock Lights.
15. Miscellaneous Supplies.
16. Tariff Expense.
17. Legal Expense.
18. Auditing Expense.
19. Bad Debts.
20. Strike Expense—Extra Watchmen.
21. Absorptions (Based on gross revenue prorated).
22. Depreciation, Repairs, Taxes and Return.

(Embraces that portion chargeable against service charges on office buildings, furniture and fixtures, office machines and dock equipment.)

Upon a breakdown of the above items into the various categories as above explained, the authors of this report find the service charge costs to be as follows:

1. On bulk commodities moving through bunkers—Howard Terminal—3¢ per ton.
2. Bulk cargoes direct to or from cars—11¢ to 16.5¢ per ton.
3. General cargo direct to or from rail car 16¢ to 21¢ per ton.
4. General cargo moving through shed—32¢ to 41¢ per ton.

It must be remembered, however, that at the present time the item of service charges in the East Bay embraces dock-[fol. 2161] age (excepting in the Coastwise and Inland Waterway trades), even though the tariffs do not so state. The total dockage costs, if spread on a per-ton basis, average ten cents per total ton handled. To the above service charge costs must be added dockage costs to the degree that the latter are not embraced in the dockage charge. Present bulk tonnage service charges, on such a basis, would be highly non-compensatory. It is apparent that any bulk tonnage now handled at ten cents is getting free dockage, i.e., after deducting service charge costs there is nothing left for dockage.

The authors of this study find that the total charges for both service charges and dockage combined should be increased approximately *seven per cent as a whole*. This is necessary to make such charges barely compensatory.

As it is proposed elsewhere in this report that a dockage charge be assessed and as such dockage charge will, with some service charge adjustments, approximate seven per cent increase, no general adjustments in service charges are necessary. What adjustments are made are for the purpose of removing present discriminatory features.

The following service charges are recommended for application at the East Bay terminals:

[fol. 2162]

**Proposed Service Charges**  
(Rates in cents per 2,000 lbs. except as noted)

Item No.		Proposed Rate	Present Rate
<b>Coastwise Inbound Trade:</b>			
<b>Cargo N. O. S.:</b>			
1.	(a) In bulk, ex vessel direct to barge or open car.	15	<sup>1</sup> 10
2.	(b) Ex vessel direct to barge or open car.	27 <sup>1</sup> / <sub>2</sub>	27 <sup>1</sup> / <sub>2</sub>
3.	(c) Other than described in paragraphs (a) and (b).	35	<sup>2</sup> 35
		35	<sup>2</sup> 50
4.	Automobiles, or other vehicles, set up on wheels—each.	100	100
5.	Feed, N. O. S. viz., Animal and Poultry.	32 <sup>1</sup> / <sub>2</sub>	30
6.	Grain and Grain Products, viz., Cereal Food Preparations, Flour, Grain.	32 <sup>1</sup> / <sub>2</sub>	30
7.	Lumber (Softwood), Lath, Shingles, Ties, Posts, Bark and Piling:		
	When for transshipment via ocean-going vessels.	Free	Free
8.	When not for transshipment via ocean-going vessels: Handled through shed, per M. F. B. M.	37 <sup>1</sup> / <sub>2</sub>	<sup>3</sup> 30
	Handled Over Uncovered Facilities:		
9.	Lumber, Ties, Posts, Bark and Piling, per M. F. B. M.	10	10
10.	Lath, per 60 bundles.	10	10
11.	Shingles, per 40 bundles.	10	10
12.	Meal, fish.	32 <sup>1</sup> / <sub>2</sub>	30
13.	Paper Products, viz., Boxboard, Fibreboard, Newsprint, Pulp, Tray, Waste and Wrapping.	32 <sup>1</sup> / <sub>2</sub>	27 <sup>1</sup> / <sub>2</sub>
14.	Pig Lead, ex vessel direct to car.	27 <sup>1</sup> / <sub>2</sub>	30
15.	Potatoes.	32 <sup>1</sup> / <sub>2</sub>	30
16.	Shook, box or crate.	32 <sup>1</sup> / <sub>2</sub>	30

<sup>1</sup> Restricted to barge or open car, except Grain and Oil, in bulk.

<sup>2</sup> Carloads, N. O. S.

<sup>3</sup> Less-than-carload.

<sup>4</sup> Rate on per ton basis of 2000 lbs.

[fol. 2163]

Item No.		Proposed Rate	Present Rate
<b>Coastwise Outbound Trade:</b>			
<b>Cargo, N. O. S.:</b>			
17.	(a) In bulk, ex car or barge direct to vessel.	15	<sup>1</sup> 10
18.	(b) Ex car direct to vessel.	27 <sup>1</sup> / <sub>2</sub>	30
19.	(c) Other than described in paragraphs (a) and (b).	35	<sup>2</sup> 30
		35	<sup>2</sup> 50
20.	Automobiles, or other vehicles, set up, on wheels, each.	100	100
21.	Cement.	32 <sup>1</sup> / <sub>2</sub>	30
22.	Feed, animal and poultry.	32 <sup>1</sup> / <sub>2</sub>	30
23.	Flour.	32 <sup>1</sup> / <sub>2</sub>	30

## Proposed Service Charges (Cont'd)

Item No.	Proposed Rate	Present Rate
24. Salt	32 $\frac{1}{2}$	30
25. Salt Cake	32 $\frac{1}{2}$	30
26. Sand	32 $\frac{1}{2}$	30
27. Sugar	32 $\frac{1}{2}$	30

<sup>1</sup> Restricted to Asphalt, emulsified.<sup>2</sup> Carloads, N. O. S.<sup>3</sup> Less-than-carload.

## Intercoastal Inbound Trade:

## Cargo, N. O. S.:

28. (a) In bulk, ex vessel direct to barge or car	15	10
29. (b) Ex vessel direct to barge or open car	27 $\frac{1}{2}$	27 $\frac{1}{2}$
30. (c) Other than described in paragraphs (a) and (b)	50	50
31. Automobiles, or other vehicles, set up, on wheels, each	100	50
32. Earth, fullers, in packages, in lots of 500 tons or over	35	35
33. Fibreboard, in bundles, in lots of 200 tons or over	35	35
34. Pipe, pressure, cast iron (not soil pipe)	40	40
35. Steel, sheet, in packages, weighing 1,000 lbs. each or over	40	40
36. Tinplate	35	35

<sup>1</sup> Rate on per ton basis of 2,000 lbs.

[fol. 2164]

## Intercoastal Outbound Trade:

## Cargo, N. O. S.:

37. (a) In bulk, ex car direct to vessel	15	10
38. (b) Other than described in paragraph (a)	42 $\frac{1}{2}$	40
39. Beans; Copra; Cotton; Cutch; Hemp; Meals and Meal Cake; animal, fish, vegetable; peanuts; rags; rice; Seed: When received ex Transpacific vessel	32 $\frac{1}{2}$	25
40. Copper Slabs, ex car direct to vessel	27 $\frac{1}{2}$	27 $\frac{1}{2}$
41. Hay	32 $\frac{1}{2}$	27 $\frac{1}{2}$
42. Lumber, per M. F. B. M.	37 $\frac{1}{2}$	37 $\frac{1}{2}$

<sup>1</sup> Restricted to Oil, in bulk.

## Hawaiian Inbound and Outbound Trade:

## Cargo, N. O. S.:

43. (a) In bulk, direct between car and vessel	15	15
44. (b) Other than described in paragraph (a)	42 $\frac{1}{2}$	40

## Alaskan Inbound and Outbound Trade:

## Cargo, N. O. S.:

45. (a) In bulk, direct between car and vessel	15	40
46. (b) Other than described in paragraph (a)	42 $\frac{1}{2}$	40

## Foreign Inbound Trade:

## Cargo, N. O. S.:

47. (a) In bulk, ex vessel direct to car	15	10
48. (b) Ex vessel direct to barge or open car	27 $\frac{1}{2}$	25
49. (c) Other than described in paragraphs (a) and (b)	50	50
50. Balls, grinding, iron or steel, loose	35	35
51. Cement	32 $\frac{1}{2}$	25
52. Fertilizers, viz., Calcium Nitrate, Nitrogen, Potash, Sulphate of Ammonia	32 $\frac{1}{2}$	25
53. Paper and Paper Products, viz., Boxboard, Fibreboard, Newsprint, Pulp, Tray, Waste and Wrapping	32 $\frac{1}{2}$	25
54. Seed	32 $\frac{1}{2}$	25
55. Sugar	32 $\frac{1}{2}$	25
56. Tinplate	35	35

[fol. 2165]

## Proposed Service Charges (Cont'd)

Item No.		Proposed Rate	Present Rate
Foreign-Outbound Trade:			
Cargo, N. O. S.:			
57.	(a) In bulk, ex car direct to vessel	15	10
58.	(b) Other than described in paragraph (a)	42 <sup>1</sup> / <sub>2</sub>	40
59.	Barley	32 <sup>1</sup> / <sub>2</sub>	25
60.	Boxboard	32 <sup>1</sup> / <sub>2</sub>	27 <sup>1</sup> / <sub>2</sub>
61.	Copra, in bags	32 <sup>1</sup> / <sub>2</sub>	25
62.	Copper Slabs, ex car direct to vessel	27 <sup>1</sup> / <sub>2</sub>	27 <sup>1</sup> / <sub>2</sub>
63.	Iron and Steel Articles, viz., Bars, Plate, Rail, Sheet and Structural, ex car direct to vessel	25	25
64.	Lumber, per M. F. B. M.	37 <sup>1</sup> / <sub>2</sub>	25
65.	Lumber, per M. F. B. M.	37 <sup>1</sup> / <sub>2</sub>	37 <sup>1</sup> / <sub>2</sub>
66.	Meals and Meal Cake, viz., Animal, Fish, and Vegetable	32 <sup>1</sup> / <sub>2</sub>	25
67.	Wheat	32 <sup>1</sup> / <sub>2</sub>	25

<sup>1</sup> Restricted to Oil, in bulk.<sup>2</sup> Applies on minimum of 250,000 ft. B. M. per shipment.<sup>3</sup> Applies when less than 250,000 ft. B. M., per shipment.<sup>4</sup> Applies on Oil Cake, Oil Cake Meal and Fish Meal.

## Transpacific Inbound Trade:

## Cargo, N. O. S.:

68.	(a) In bulk, ex vessel direct to barge or car	15	15
69.	(b) Ex vessel direct to barge or open car	27 <sup>1</sup> / <sub>2</sub>	35
70.	(c) Other than described in paragraphs (a) and (b)	50	50
71.	Beans, Cotton, Cutch, Hemp,	When for trans-shipment via ocean-going vessel	32 <sup>1</sup> / <sub>2</sub>
72.	Peanuts, Rice and Seed		
73.	Lumber, per M. F. B. M.	37 <sup>1</sup> / <sub>2</sub>	32 <sup>1</sup> / <sub>2</sub>
74.	Ammonia, sulphate of	32 <sup>1</sup> / <sub>2</sub>	32 <sup>1</sup> / <sub>2</sub>
75.	Copra, in sacks	32 <sup>1</sup> / <sub>2</sub>	32 <sup>1</sup> / <sub>2</sub>
76.	Meals and Meal Cake, viz., Animal, Fish and Vegetable	32 <sup>1</sup> / <sub>2</sub>	32 <sup>1</sup> / <sub>2</sub>
77.	Pig Iron, ex vessel direct to barge or open car	15	15
78.	Rags	32 <sup>1</sup> / <sub>2</sub>	32 <sup>1</sup> / <sub>2</sub>
79.	Seed	32 <sup>1</sup> / <sub>2</sub>	32 <sup>1</sup> / <sub>2</sub>
80.	Sugar	32 <sup>1</sup> / <sub>2</sub>	32 <sup>1</sup> / <sub>2</sub>

<sup>1</sup> Rate on per ton basis of 2,000 lbs.

[fol. 2166]

Item No.		Proposed Rate	Present Rate
Transpacific Outbound Trade:			
Cargo, N. O. S.:			
81.	(a) In bulk, ex car or barge direct to vessel	15	15
82.	(b) Ex barge direct to vessel	30	30
83.	(c) Other than described in paragraph (a) and (b)	50	50
84.	Ammonia, sulphate of	32 <sup>1</sup> / <sub>2</sub>	30
85.	Boxboard	35	35
86.	Cotton	25	35
87.	Lumber, per M. F. B. M.	37 <sup>1</sup> / <sub>2</sub>	50
88.	Petroleum and Petroleum Products, including oils and greases having a petroleum base, and Asphalt (Asphaltum), in packages	32 <sup>1</sup> / <sub>2</sub>	30
Scrap Material:			
89.	(a) Ex dock to vessel	25	25
90.	(b) Ex barge or open car direct to vessel	15	15

<sup>1</sup> Restricted to Oil, in bulk.

## Proposed Service Charges (Cont'd)

Item No.		Proposed Rate	Present Rate
Proposed Charges Against Ocean-Going Vessels Not Calling Direct:			
91.	When the ocean-going vessel transships cargo from or to a terminal by means of an inland waterway vessel, the total charges against the ocean carrier (consisting of the above service charges, and the toll charges absorbed by such carrier), shall be reduced as follows:		
	(a) In the offshore trades, ten cents (10¢) per ton of 2,000 lbs.		
	(b) In the coastwise trade, five cents (5¢) per ton of 2,000 lbs.		
92.	Bulk commodities moving through bunkers, Howard Terminal.....	3	0

[fol. 2167] The adjustments in service charges above are justified as follows: The authors interpret the term "to meet minimum cost requirements," as used herein, as meaning the establishment of a rate which will compensate for service charge costs plus a greater or lesser contribution toward dockage costs. Such costs for each class of tonnage have been presented previously in this chapter. Other adjustments are for the purpose of bringing the charges into line with those for analogous services in other trades.

*Item No.*

1. To meet minimum cost requirements.
3. Reduction of L.C.L. rates from fifty cents to thirty-five cents to remove discrimination against L.C.L. traffic and to eliminate present conflicting interpretations of this item.
5. To meet minimum cost requirements.
6. To meet minimum cost requirements.
8. To place charge on a per M.E.B.M. unit in lieu of per ton unit. The former conforms with the practice in other trades and constitutes the more desirable unit.
12. To meet minimum cost requirements.
13. To meet minimum cost requirements.
14. To place on basis comparable to analogous commodities, i.e., copper slab, etc.
15. To meet minimum cost requirements.
16. To meet minimum cost requirements.
17. To meet minimum cost requirements.
- 18.) To introduce more equitable rate relationship
- 19.) between cargo-handled direct and cargo handled through shed.
21. To meet minimum cost requirements.

[fol. 2168]

*Item No.*

- 22 to 28 incl. To meet minimum cost requirements.
31. Rate adjusted to Coastwise basis of one dollar (\$1.00) each. Latter more closely reflects cost.
- 37 to 39  
incl. To meet minimum cost requirements.
- 41 & 44. To meet minimum cost requirements.
- 46 to 48  
incl. To meet minimum cost requirements.
- 51 to ~~56~~  
incl. To meet minimum cost requirements.
- 57 to 61  
incl. To meet minimum cost requirements.
- 64, 66  
and 67. To meet minimum cost requirements.
69. Reduction—to place charge on same basis as that applicable in identical movements in other trades.
73. Reduction—to place charge on same basis as that applicable in identical movements in other trades.
84. To meet minimum cost requirements.
87. Reduction—To place charge on same basis as that applicable in identical movements in other trades.
88. To meet minimum cost requirements.
91. At the present time, on barged cargo, as herein described, the ocean carriers absorb the toll of five cents. With the suggested increase in tolls to fifteen cents Coastwise and twenty-five cents Offshore, the burden against the vessel is correspondingly increased. In order that non-calling passenger lines be not unduly penalized, the above suggestion is made.
92. At the present time no charge is made upon this movement. The service charge cost is absorbed in the stevedoring charges assessed by the terminal. It is recommended that a proper service charge cost be assessed independently of the stevedoring charges.

[fol. 2169] The final result of the above recommended service charge adjustments, plus the assessment of the

dockage charges recommended in Chapter IV, will result in a net increase of between six and seven per cent in all charges against the vessel at the East Bay major terminals.

As the two San Francisco terminals handle a considerable volume of general cargo from the Orient which is of low density, but which is commonly carried by the vessel on a weight basis, the use of ship's manifest weight in determining service charges results in a non-compensatory charge for service rendered. It is recommended that these two terminals place their service charges on a weight or measurement basis, whichever is the higher, such measurement to be determined by the terminal independently of ship's manifest.

[fol. 2170]

## Chapter VII

### *Free Time:*

The free time is the period allowed for assembling or removing cargo upon the wharves. Upon its expiration, demurrage charges are assessed. The determining factor as to what constitutes a proper free time period is the amount of time reasonably necessary for the shipper to assemble his goods or the consignee to remove them, and for the vessel to load or discharge its cargo. If the period is too short, it may unduly handicap the shipper. If it is too long, it constitutes an economic waste of valuable space which is being deprived of its most effective use.

In the long run every additional day's time adds to the terminal costs and eventually this cost is passed on to the consumer of the service. If the particular requirements of certain shippers or certain cargoes necessitate the goods remaining for extended periods on the wharves, it appears as only reasonable that those enjoying this additional service should be the ones to pay for it.

The question thus becomes that of determining what constitutes a reasonable period of time in which to assemble cargo. Consider first the outbound movement. The following factors were noted:

1. The free time period should be adequate not only for the small shipper, but also for the large shipper.
2. The free time period should be uniform throughout the Bay district at both public and private facilities. (One recommended exception is dealt with below.)

[fol. 2171] 3. Single shipments (as on canned goods moving outbound in the Intercoastal or European Trades) may consist of 5,000 to 10,000 cases.

(a) Such shipments may have to be assembled from storage plants or canneries in any one or all of the following points of origin: Santa Clara Valley, Sacramento Valley, San Joaquin Valley and local Bay territory.

(b) The separate portions of the consolidated shipment may arrive by rail, barge, river steamer or truck and require one or two days for delivery from plant to dock. Under such conditions the shipper cannot gamble with the last available day, but must allow some period for contingencies.

(c) On a small shipment from one plant the physical limitations of the plant in loading to rail cars or to trucks may require the expiration of one, two or three days between the delivery of the first case and the last case on the dock.

4. The vessel's organization requires time. The vessel may pick up from 1,000 to 3,000 tons at a San Francisco Bay port.

(a) This cargo must be assembled on the dock in accordance with the vessel stowage plan and ports of discharge before it is loaded.

(b) On foreign vessels time must be had for the issuance of dock permits, bills of lading and ships' manifests, all of which must be issued in sufficient time to permit the necessary papers to be aboard the vessels when they sail.

[fol. 2172] (c) Should the free time be so shortened that the cargo becomes bunched rather than arriving in a continuous stream, it would be difficult if not impossible to perform the above operations without delaying the vessel.

(d) The vessel may lie at San Francisco two, three or four days loading. It is desirous of receiving the goods uniformly throughout this period and, furthermore, to have cargo assembled and ready for loading the moment the ship docks. This requires that a sizeable portion of the cargo be received one, two or three days prior. If the load-

ing of a portion of such tonnage, received two or three days in advance, be delayed for the convenience of the vessel until the last day of the vessel's loading, a total of five, six or seven days might easily be consumed.

5. An eastbound European vessel will require, on the average, about four days of continuous loading at the various San Francisco Bay ports to pick up the usual 2,500 or 3,000 tons consigned from this port area. Hence there is always an element of uncertainty arising from possible local changes in the vessel's schedule which might sharply curtail the period for assembling the cargo at any one terminal.

Upon consideration of the above factors, the authors conclude that in the outbound Intercoastal and foreign trades seven days constitutes a reasonable period in which to permit the shipper to assemble his goods and to permit the [fol. 2173] steamship organization or its agents to most economically perform the loading of the vessel and the auxiliary operations requisite thereto.

On Coastwise movements the sailings are more frequent, the vessels are smaller and the tonnage loaded or discharged is therefore smaller. There is not the need for the assembly of the large shipments such as exist in the offshore trades. For these reasons a five day free time period is held to be sufficient.

On the inbound movements certain of the vessel's paper work is eliminated; but in the Foreign trades another factor, customs clearance, must be weighed. In some instances customs clearances can be obtained in one day while in other cases, particularly during periods of congestion, four days may be required. However, on general merchandise two days is usually sufficient from the time the necessary papers are received by the custom's broker until the consignee can pick up his cargo on the dock. Frequently, however, the necessary documents arrive on the same boat with the cargo. This may delay the mails a day and add another twenty-four hours to the delays occasioned by the customs procedure.

In consideration of this factor as well as those mentioned above, seven days' free time is recommended in the inbound Foreign trades. In the Coastwise and Intercoastal trades, where the factor of customs does not apply, five days ap-

pears sufficient. At the present time, however, the Port of San Francisco grants seven days' free time on inbound Intercoastal cargo and, unless this is reduced, it is recommended for purposes of uniformity that the same period [fol. 2174] be prescribed for the private terminals. The five day period is generally applicable at other ports on the Pacific coast.

On transshipment cargo ten days is recommended to provide for unavoidable delays and uncertainties in the interchange of freight between carriers engaged in different trades.

One exception to the above free time periods is believed necessary. At the San Pablo dock of the Parr-Richmond Terminal Corporation a free time period of twenty-one days is recommended on petroleum products in packages. This cargo moves to the Orient from the local refineries in shipments of from 500 to 8,000 tons. In view of the limited rail facilities and switching services available at this terminal facility, a continuous flow of the cargo over a ten to twenty day period is required for assembly. The operator would otherwise suffer penalties from rail demurrage and overtime car unloading labor costs.

It is further recommended that the free time period in the Inland Waterway trades be the same as in the Coastwise trade. Where vessels are delayed beyond the scheduled sailing date because of stress of weather, breakdowns, accidents or other emergencies, it is recommended that the free time limit be extended three days. This is necessitated by the uncertainties of the East Bay calls when the vessels are delayed.

[fol. 2175] To sum up, the free time period recommendations are as follows:

	Inbound	Outbound
Coastwise & Inland Waterway	5 days	5 days
Intercoastal	5 days	7 days
Foreign	7 days	7 days
Transshipment	10 days	10 days

[fol. 2176]

## Chapter VIII

### *Wharf Demurrage:*

Wharf demurrage is defined as that charge accruing upon cargo left in the possession of the terminal beyond the free time period.

Wharf demurrage was originally a penalty charge to ensure that goods would not remain on the docks for a longer period than was reasonably necessary for the carrier or the consignee to remove them. If the shipper or consignee desired the goods held, they were left in storage areas for which a period wharf demurrage rate was assessed, plus a handling charge in some cases; but today, under the influence of competition, the wharf demurrage rates have been so reduced and the rules and practices so liberalized that the charges in general are non-compensatory.

This is particularly true where a shipper indicates that he desires the goods to remain for a period at the terminal.

The latter, to obtain the most effective use of its space, high piles the cargo or moves it to back areas. The following day the shipper changes his mind and removes the goods. The terminal, for direct labor alone, will have spent twenty cents per ton, but has received from the shipper approximately  $1\frac{1}{4}\text{¢}$  per ton per day for three or four days, or a total of about five cents. When proper allowance has also been made for floor space occupancy, checking in, checking out, accounting, billing, watchmen services and other overhead, the absurdity of the present rate structure becomes apparent. Even without the 15¢ to 25¢ per-ton labor cost, the charges are highly non-compensatory in the above instance.

[fol. 2177] The wharf demurrage problem is a two-fold one. The first problem is that of raising the charges to a compensatory level. A minimum increase of 33 per cent is necessary to make demurrage charges compensatory under the most favorable conditions. The second problem is that of so developing the rate structure that cargo, regardless of the period of time it lies in demurrage, will have compensated as closely as possible for the particular services it has received and the expenditures it has occasioned.

The first step was to assemble the necessary cost data, which was obtained as follows:

(1) Floor space—cost per square foot per thirty days:

(a) The annual charges were determined for each terminal, and also for each transit shed where construction costs differed. This embraced charges for maintenance, depreciation, return and taxes.

(b) The following factors were noted: The aisle spaces in demurrage areas occupied 30 per cent of the total area.

(Access has to be provided to the pile for both stevedore jitneys and trailers and for the shipper's or consignee's truck and trailer units. In fact, there is no demarcation between transit areas and demurrage areas, although it has been determined that approximately 20 per cent of the terminal floor space is required solely to handle demurrage cargo and is chargeable to this account. This represents the areas necessary to store the demurrage goods after the expiration of free time period).

Of the remaining demurrage space occupied, it cannot be considered that it is 100 per cent revenue producing throughout the year. Allowances must be made for working areas, for waste space around piles, for shipments honeycombed because of partial deliveries or partial receipts, and for dull periods or seasons when idle areas are [fol. 2178] carried for the purpose of meeting demurrage demands at other seasons. On the other hand, it is to be noted that the many ramifications of the terminal business permit a high degree of effectiveness in the utilization of space.

Upon due consideration of all these factors, it is estimated that not over 85 per cent of the demurrage areas (after deducting aisles) can be considered as utilized to capacity the year round.

For purposes of comparison and clarification, the authors herein interpret 100 per cent capacity use (after deducting aisles) as the unbroken occupancy of every square inch of space with the cargo piled to its economic height, which is one tier high on some commodities, two tiers high on others, and even three tiers high on low density commodities, but averaging about 1.6 tiers over all goods. A tier is that height to which a stevedore, under his union rules, will stack the goods in discharging a vessel, or the maximum height of a pile from which he will lift goods in loading a vessel. The height of such tiers in terms of feet, or in terms of cases, has been determined and is presented in tables below. The economic height to which goods should be piled depends upon a proper balance between the labor cost of piling and the fixed charges incurred upon the extension of floor space.

To sum up, it must be noted that out of a given area chargeable to demurrage, whether it is one square foot or 50,000 square feet, 30 per cent of that area is necessary for aisle space and of the balance only 85 per cent is used [fol. 2179] to that capacity upon which the tariff charges herein recommended are predicated.

This is set up below:

Total demurrage areas .....	100%	
Aisles and roadways .....	30 %	
Cargo areas—70% :		
Waste areas—15% to 70% .....	10.5%	
Revenue producing areas— 85% to 70% .....	59.5%	
<b>Total .....</b>	<b>100.0%</b>	<b>100.0%</b>

Thus, out of every 100 square feet chargeable to demurrage, 30 square feet of aisles and 10.5 square feet of waste areas are non-revenue producing, leaving 59.5 square feet as revenue producing. The 40.5 square feet cannot be chargeable to other services because it is used solely for the benefit of cargo on demurrage and could be dispensed with should the terminal eliminate all demurrage and storage. Areas that would have been required by such cargo during its free time period are not here included.

The authors have, for convenience, used the value of 60 per cent in lieu of the 59.5 per cent. Hence in the determination of floor space cost for any given commodity, it is assumed that the pile only occupies 60 per cent of the total space required and that the carrying charges on the waste areas and aisle areas are charged to the 60 per cent. Thus if the annual charges on a 100,000 square-foot shed totalled \$40,000, for purposes of constructing demurrage rates the costs should be spread over 60 per cent of 100,000 [fol. 2180] square feet, or 60,000 square feet. However, if an entire building, including aisles, roadways and waste areas, were leased to one party, the 100,000 square-foot area would naturally be used for purposes of cost determination.

(2) Direct dock costs:

(a) Includes dock labor used for high piling, breaking down or moving cargo.

(b) Includes cost of dock equipment. Consists of repairs, depreciation, return and taxes on high piling machines and a pro-rata share on jitney or electric lift machines, charges being prorated to demurrage in proportion to use.

**(3) Salaries:**

(a) Includes clerical cost of checking, receiving and delivering.

(b) Includes an allocation of the management's salaries, traffic and solicitation, accounting and billing, etc. (For explanation of allocation, see Part III, Chapter I).

**(4) General and Miscellaneous Expenses:**

Includes an allocation of telephone expense, watchmen, stationery and printing, postage, tariff services, claims, uncollectible accounts, office heat, water and light.

Includes a portion of the maintenance, depreciation, return and taxes upon the office buildings, furniture and fixtures and land upon which the office rests. (See Part III, Chapter I for explanation of these allocations).

Following the assemblage of the above data, there was next required a knowledge of the characteristics of the individual commodities in order that the floor space costs, [fol. 2181] initially determined in terms of costs per square foot per year or per month, could be translated into cents per ton per month for each commodity.

These data were obtained by a physical check of the densities and pile measurements of the principal commodities and by checking the heights of the tiers permitted by union practices. With such data, the number of square feet required per ton for each of the principal commodities, both one tier and two tiers high, was obtainable. Such data are presented in the following table:

[fol. 2181] Table of Densities, Pile Heights and Square Feet Required per Ton for Each of the Principal Commodities on Wharf Demurrage  
Weight per Square Foot of Space Occupied

Item	Density Per Cu. Ft. In pounds	Hgt.	Normal Piling			Average High Piling		
			No. Pkgs.	Lbs.	Sq. Ft. Per Ton	No. Pkgs.	Lbs.	Sq. Ft. Per Ton
Beans, dried, in sacks.	33.3	6'	6	200	10			
Canned Goods, in cases	40.0	6' 8"	7	270	7.4	14	540	3.7
Fertilizers—in sacks:								
Nitrate of Soda	83.3	3' 6"	5	292	6.85	10	584	3.43
Potash	77.0	3' 6"	5	260	7.43	10	538	3.72
Ammonia, sulphate	37.1	3' 6"	5	130	15.38	10	260	7.69
Cereals, prepared, in pkgs.	8.0	7'	7	56	35.71	14	112	17.86
Seed, hemp & sesame, sacks	36.0	3' 6"	4	130	15.38	10	325	6.15
Peat Moss, in bales	12.5	6'	4	75	26.66	8	150	13.33
Refrigerators, crated	7.4	4'	1	30	66.66			
Steel Sheets, in bdls.	300.0	4'	4	1200	1.66			
Rubber, raw, in cases	80.0	4' 6"	3	360	5.55			
Excelsior, wood, in bales	9.2	6'	4	55	36.36	12	165	12.12
Paper, Newsprint, in rolls	30.3	5'	1	152	13.15			
Paper, Toilet, in cases	10.0	6'	3	60	33.33	9	180	11.11
Cleaning Compound, liquid, in cases	40.8	6' 6"	7	265	7.54			
Meal, fish, in sacks	39.2	6'	6	235	8.51			
Sisal, Kopak, in bales	16.5	5'	3	83	24.10			
Soda Ash, in sacks	40.8	4'	3	163	12.27			
Flour, grain, in sacks	44.4	6'	7	286	7.52			

[fol. 2182] The floor space costs used for demurrage and storage rate-making purposes is 3.55 cents per square foot per month. This represents the lowest cost floor space available at the terminals. This cost study indicates that the cost per square foot rises abruptly for buildings supported in whole or in part on pile foundations. The higher the floor cost, other things being equal, the sooner it becomes economically necessary to high pile.

In addition to the floor space costs, an analysis is necessary of the labor costs and overhead costs. Labor costs for high piling were obtained at several terminals. They varied widely according to the type of commodity, the wages paid and the equipment used. The value of twenty cents per ton was found to constitute a minimum cost on the average for piling cargo to a second tier height and for breaking it down.

On commodities not high piled, an average cost of 2.5 cents per ton was incurred. This represented the cost to the terminal for the assemblage of broken lots honey-combed by the shipper, for the occasional shifting of the demurrage cargo or other cargo when it has been blocked off by other tonnage and is not available to the consignee or the stevedores, etc.

Concerning the overhead costs, it is to be noted that certain of these are largely fixed or constant. They do not vary appreciably with the length of time the goods remain in storage. The moment the cargo touches the floor, whether it be for one day or thirty days, these costs are incurred. Such costs are those for checking the cargo to and from the consignee, the cost of billing, stationery and [fol. 2183] supervision of the initial receipt, delivery or handling (if any is required), etc.

On the other hand, there are other overhead costs which generally vary with the length of time the goods remain on hand. The longer the period, the greater the expense. Such costs, for example, consist of traffic and solicitation (when prorated on a gross revenue basis), watchmen, claims, messengers, insurance premiums, etc.

For purposes of rate making, all labor and overhead costs were determined and broken down as indicated below. The values presented herein represent the lowest cost terminal service, and rates were predicated upon such.

*Analysis of Demurrage Costs*

1. Cost of checking to or from consignee ..... 5¢ per ton
2. Cost of piling second tier and breaking it down ..... 20¢ per ton
3. Cost of miscellaneous moving, shifting, assembling where no high piling is involved ..... 2.5¢ per ton
4. Overhead Costs:
  - (a) Non-variable. Costs that are largely independant of the length of time goods remain in storage.

	<i>Per Ton</i>
(1) Officers (50% variable)	1.03¢
(2) Sup't (50% variable)	0.11¢
(3) Accounting and billing	2.81¢
(4) Timekeeper	0.09¢
(5) Cleaning and Sweeping	1.11¢
(6) Stationery and printing	0.76¢
(7) Postage	0.38¢
(8) Tariff Expense	0.14¢
(9) Auditing	0.12¢
(10) Office and equipment (50% variable), maintenance, depreciation, return, taxes	0.55¢

Total non-variable overhead 7.10¢ per ton

[fol. 2184] (b) Variable costs that vary with length of period goods remain in storage. Adjusted to thirty-day basis.

	<i>Per Ton</i> <i>Per 30 Days</i>
(1) Officers (50% variable)	0.77¢
(2) Sup't (50% variable)	0.08¢
(3) Traffic and solicitation	1.79¢
(4) Telephone operator	0.11¢
(5) Telephone and telegraph	0.60¢
(6) Watchmen	1.80¢
(7) Miscellaneous solicitation expense	0.37¢
(8) Janitor—office	0.06¢
(9) Legal expense	1.12¢
(10) Claims	0.55¢
(11) Messengers	0.37¢
(12) Miscellaneous supplies	0.19¢
(13) Advertising	0.26¢

(14) Bad debts	0.01¢
(15) Directors' fees	0.06¢
(16) Terminal Ass'n expense	0.08¢
(17) Absorptions	0.08¢
(18) Insurance premiums	0.06¢
(19) Office—light, heat, power	0.17¢
(20) Office and equipment (50% variable), maintenance, depreciation, etc.	0.42¢
(21) All other expenses	0.22¢

Total variable costs . . . . . 9.17¢  
per ton  
per 30 days

With this analysis it is now possible to establish rates on a cost basis. For purposes of illustration, assume a ton that requires no high piling service. Its cost will be as follows:

*Fixed Costs per Ton:*

Checking	5.0¢ per ton
Miscellaneous moving	2.5¢ " "
Non-variable overhead	7.1¢ " "
Total	14.6¢ per ton

*Variable Costs per 30 Days:*

Variable overheads	9.17¢ per ton per 30 days
Floor space	3.55¢ per sq. ft. per 30 days.

[fol. 2185] If high piling were resorted to, the 20-cent piling and breaking-down charge would replace the 2.5-cent moving cost.

Applying these costs to canned goods:

*Illustration No. 1:*

Total cost for sixty days for canned goods requiring 7.4 square feet per ton (not high piled).

Checking	5.00¢ per ton
Miscellaneous moving	2.50 per ton
Non-variable overhead	7.10 per ton
Variable overhead 2(9.17)	18.34 per ton
Floor space 2x7.4(3.55)	52.54 per ton

Total cost . . . . . 85.48¢ per ton

## Illustration No. 2:

If the canned goods had been high piled, the cost for 60 days would have been as follows:

Checking	5.00¢ per ton
High Piling	20.00 per ton
Non-variable overhead	7.10 per ton
Variable overhead	18.34 per ton
Floor space 2 x 3.7 (3.55)	26.27 per ton
Total cost	76.71¢ per ton

In constructing the wharf storage rates proposed herein, the principle followed was that the rates, as closely as possible, should be based upon the cheapest method of handling. In some instances this would result in goods being left one tier high; in other cases, piled to two tiers; and in some cases piled to three tiers.

Studies were made of the costs with the cargo piled to such various heights. With this information, and with a previously acquired knowledge of the average length of time each commodity remains on demurrage, the most efficient relationship of labor handling to floor space costs was determined and used.

The rate should reflect the lowest combination of handling costs plus floor space costs. Consideration was given to the merits and practicability of wharf storage upon the basis of ten-day, fifteen-day and thirty-day periods. All periods had some merit, but by virtue of the difficulties of reasonably allocating costs with any degree of precision over the shorter periods, and in view of the fact that the rates herein are based upon a high effective use of demurrage space only obtainable upon the basis of a fifteen day or greater period, the latter basis is recommended.

On commodities occupying between six and eight square feet to the ton, unpiled, such as canned goods, fertilizers and sugar, it is a matter of indifference whether or not the goods are high-piled if they remain approximately thirty or forty days. Beyond this period it is definitely cheaper to high-pile. These relationships are based upon the low floor space costs of 3.55 cents per occupied square foot. Should a more costly type of structure be considered for storage, the period in which it becomes economically desirable to high-pile is reduced.

The storage rates proposed are listed in the accompanying table.

(Here follows 1 photolithograph, side folio 2187)

PROPOSED WHARF STORAGE RATES ON REPRESENTATIVE COMMODITIES  
(Rates in Cents Per Ton of 2,000 Pounds)

ITEM NO.	COMMODITY	Receiving and Delivery Charge	Floor Space Period Costs	Proposed Rate	Cost	Proposed Rate	Cost	Proposed Rate	Cost	Proposed Rate	Cost	Proposed Rate	Cost	Proposed Rate
			15 Days	30 Days	60 Days	30 Days	60 Days	90 Days	60 Days	90 Days	60 Days	90 Days	60 Days	90 Days
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	Beans, dried, in sacks	15¢	20¢	40¢	80¢	55¢	59¢	95¢	104¢	135¢	149¢	30¢	60¢	90¢
2	Canned Goods, N.O.S., in cases - Inbound	30	17½	35	70	65	50	100	85	135	121	37½	75	112½
3	" - Outbound	25	12½	25	50	50	54	75	77	100	99	37½	75	112½
4	Cleaning Compound, liquid, in cases - Outbound	15	17½	35	70	50	51	85	87	120	123	37½	75	112½
5	Cereals, prepared, in cases	50	35	70	140	120	105	190	177	260	250	60	120	180
6	Excelsior, wood, in bales	85	25	50	100	135	104	185	156	235	209	60	120	180
7	Fertilizers, viz: Nitrates, in sacks	30	10	20	40	50	53	70	75	90	96	15	30	45
8	Potash, in sacks	30	10	20	40	50	53	70	77	90	99	15	30	45
9	Ammonia, sulphate of, in sacks	30	17½	35	70	65	69	100	105	135	142	37½	75	112½
10	Flour, grain, in sacks	30	17½	35	70	65	51	100	86	135	122	60	120	180
11	Kapok and Sisal, in bales	50	17½	35	70	85	90	120	128	155	163	90	180	270
12	Meal, fish, in sacks	30	10	20	40	50	56	70	81	90	105	60	120	180
13	Paper, newsprint, in rolls	15	27½	55	110	70	70	125	126	180	162	60	120	180
14	Paper, toilet, in cases	80	20	40	80	120	101	160	149	200	198	60	120	180
15	Peat Moss, in bales	40	25	50	100	90	89	140	145	180	202	60	120	180
16	Rubber, raw, in cases	15	15	30	60	45	44	75	72	105	101	60	120	180
17	Refrigerators, crated	15	120	240	480	235	261	485	508	735	753	60	120	180
18	Seed, hemp and sesame	35	17½	35	70	70	69	105	105	140	142	37½	75	112½
19	Soda Ash, in sacks	30	15	30	60	60	53	90	94	120	125	15	30	45
20	Steel Sheets, in bundles	15	7½	15	30	30	30	45	45	60	60	30	60	90

[fol. 2188] An explanation of the data in each column follows:

Column 1:

Contains the proposed "receiving and delivery" charges made up of the 5-cent checking cost, the 7.10-cent non-variable overhead cost, and the "miscellaneous moving" or "high piling" cost, depending upon which of the latter two [fol. 2188] will prove the cheaper over that period which the specific commodity customarily remains on storage. (Note: See explanation below of additional amounts included in some instances for partial deliveries).

Column 2:

Contains the floor space cost per ton per fifteen days plus a charge of 4.6 cents per ton per fifteen days for variable overhead costs.  $(4.6c = \frac{9.17c}{2})$  Values were taken to the nearest 5 cents.

Column 3:

Contains the same data for thirty days.

Column 4:

Contains the same data for sixty days.

Column 5:

Contains the proposed rate for thirty days, consisting of the receiving and delivery charge, Column 1, plus the floor space and overhead variable costs, Column 3.

Column 6:

Contains the actual cost to the terminal based upon the most effective combination of labor handling costs and floor space costs.

Column 7:

Contains proposed rate for sixty days.

Column 8:

Contains terminal cost for sixty days.

Column 9:

Contains proposed rate for ninety days.

## Column 10:

Contains terminal cost for ninety days.

[fol. 2189] Columns 11, 12 and 13:

Show the rates now in effect at the East Bay terminals for thirty, sixty and ninety days, respectively.

An examination of the demurrage records of the terminal operators discloses the fact that an extreme amount of detail is required in handling and accounting for some demurrage cargoes. The following example, covering an account held under the present demurrage rate on merchandise N.O.S. of two cents per ton per day, illustrates this fact. It is an exact copy of the monthly invoices rendered to the customer. Attention is called to the fact that out of the six shipments on hand and received during the month, a total of forty-one separate deliveries were made. The wholesaler who was the consignee in this instance never removed the goods from the dock but sold them f.o.b. dock to his retail customers who called for the goods individually as the sales were made. The deliveries averaged about 2,200 pounds. This illustrates a typical use of waterfront facilities for distribution accounts.

[fol. 2190]

Merchandise—N.O.S.—For January 1935

For Wharf Demurrage Charges for your account on Merchandise on hand (10 days free time; demurrage at 2¢ per ton per day or fraction thereof, excluding Sundays and holidays)

	Pkgs.	Weight	Demurrage Period		Days
			From	To	
On Hand					
12/1/34.....	1,914	57,000#			
Dem. Starts					
12/3/34.....	417	26,688#	ex SS "San Diego"		
12/4/34.....	954	59,827#	ex SS "Point Lobos"		
12/18/34.....	50	2,750#	ex Truck		
12/18/34.....	10	350#	ex SS "Solano"		
12/21/34.....	241	4,579#	ex SS "San Angelo"		
Deliveries					
12/3/34.....	1	73	12/1/34-12/3/34	2	01
12/4/34.....	36	2,170	12/1/34-12/4/34	3	07
12/4/34.....	155	9,110	12/4/34-12/4/34	1	09
12/5/34.....	4	264	12/1/34-12/5/34	4	01
12/5/34.....	18	1,117	12/4/34-12/5/34	2	02
12/6/34.....	30	832	12/1/34-12/6/34	5	01
12/8/34.....	10	438	12/1/34-12/8/34	7	03
12/8/34.....	3	201	12/4/34-12/8/34	5	01
12/10/34.....	25	1,300	12/4/34-12/10/34	6	08
12/11/34.....	87	5,624	12/4/34-12/11/34	7	39
12/12/34.....	309	10,045	12/1/34-12/12/34	10	1-00
12/12/34.....	25	1,600	12/3/34-12/12/34	9	11

## Merchandise - N.O.S. - For January 1935

For Wharf Demurrage Charges for your account on Merchandise on hand  
(10 days free time; demurrage at 2¢ per ton per day or fraction thereof, excluding  
Sundays and holidays)

On Hand	Pkgs.	Weight	Demurrage Period		Days	
			From	To		
12/12/34.....	4	246	12/4/34-12/12/34		8	02
12/13/34.....	105	6,720	12/3/34-12/13/34		10	67
12/13/34.....	63	3,641	12/4/34-12/13/34		9	33
12/15/34.....	50	3,200	12/3/34-12/15/34		12	38
12/15/34.....	15	780	12/4/34-12/15/34		11	09
12/17/34.....	15	508	12/1/34-12/17/34		14	07
12/17/34.....	11	616	12/4/34-12/17/34		12	07
12/18/34.....	56	1,493	12/1/34-12/18/34		15	22
12/18/34.....	50	3,200	12/3/34-12/18/34		14	45
12/18/34.....	43	2,567	12/4/34-12/18/34		13	33
12/19/34.....	50	3,335	12/4/34-12/19/34		14	47
12/20/34.....	6	384	12/4/34-12/20/34		15	06
12/21/34.....	20	470	12/1/34-12/21/34		18	08
12/21/34.....	25	1,600	12/3/34-12/21/34		17	27
Balance carried forward.....						\$5.40

[fol. 2191]

Balance brought forward.....						\$5.40
12/21/34.....	38	2,256	12/4/34-12/21/34		16	36
12/21/34.....	30	570	12/21/34-12/21/34		1	01
12/22/34.....	50	3,200	12/3/34-12/22/34		18	58
12/26/34.....	10	520	12/4/34-12/26/34		19	10
12/26/34.....	10	610	12/18/34-12/26/34		7	04
12/27/34.....	76	2,395	12/1/34-12/27/34		22	53
12/27/34.....	12	676	12/4/34-12/27/34		20	14
12/27/34.....	2	122	12/18/34-12/27/34		8	01
12/28/34.....	25	1,600	12/3/34-12/28/34		22	35
12/28/34.....	27	1,848	12/4/34-12/28/34		21	39
12/29/34.....	15	420	12/1/34-12/29/34		24	10
12/31/34.....	248	8,064	12/1/34-12/31/34		25	2 02
12/31/34.....	25	1,600	12/3/34-12/31/34		24	38
12/31/34.....	103	6,775	12/4/34-12/31/34		23	1 56
12/31/34.....	5	305	12/18/34-12/31/34		11	03
Bal. on Hand						
12/31/34.....	1,094	29,828	12/1/34-12/31/34		25	7 46
	62	3,968	12/3/34-12/31/34		24	95
	284	18,831	12/4/34-12/31/34		23	4 33
	43	2,063	12/18/34-12/31/34		11	23
	211	4,009	12/21/34-12/31/34		8	32

53 packages marked during December at 1¢ ea. .... 53

\$25.82

[fol. 2192] To compensate the terminals for the added costs of making many small deliveries, such as are here involved, the following increases have been made in the "receiving and delivery" charge on certain items:

Item No.	Increase in Receiving & Delivery Charge per Ton
2. Canned goods, N. O. S.—Inbound	15¢
5. Cereals, prepared, in cases	15¢
6. Excelsior, wood, in bales	25¢
11. Flour, grain, in sacks	15¢
15. Paper, toilet, in cases	20¢

To take care of goods which lie over one, two or three days beyond the free time period and which are not placed upon a demurrage account, a penalty demurrage charge of five cents per ton is recommended to run until such time as the shipper shall declare his goods for storage. If the goods are not so declared after five days, the goods shall automatically go on a fifteen-day period wharf storage basis.

Upon the basis of the facts at hand, the authors believe the charges recommended herein are within the ability of the cargo to pay. The greatest increases are on certain fertilizers which have been enjoying a rate of 15 cents per month although the cost to the terminals for storage has been approximately 50 cents per month. As those fertilizers generally stored at the terminals range in value from \$30 to \$45 per ton, it appears that the industry should be able to bear a compensatory rate.

[fol. 2193] It is similarly true with other items. It is to be noted that on several of the representative commodities, rates will be reduced rather than increased, particularly after the expiration of sixty days.

From the standpoint of competition, two factors appear. The first is competition with the public warehouses. In this instance the latter may have some advantages with regard to floor space costs, but they are at an extreme disadvantage concerning handling costs. Whereas in the case of warehousing the goods must be trucked from point of rest on the dock to the warehouse, unloaded, handled from the receiving platform to point of storage; then, upon leaving, be re-handled to the delivery platform and loaded to truck or rail car for final movement to destination. At the ter-

minals the sole handling is that of high piling or the minimum amount of movement to prevent interference with stevedore operations. With these qualifications, the stevedores drop the goods at their proximate place of storage and they lie there until the consignee, or his agent, picks them up directly from the pile. Under such conditions warehouse charges are not a limiting factor in increasing demurrage charges to a compensatory level.

A second competitive factor is that of the private plant warehouses. On inbound tonnage this is an unimportant factor for the handling costs (as explained above in the instance of warehouse competition) make it economically desirable to distribute directly from the terminal.

[fol. 2194] On outbound movements the terminals are in direct competition with private plant storehouses. The goods move from these storehouses to the dock. It is not reasonable to believe that the terminals, with their expensive waterside facilities, can compete with such storage at points of origin, nor should they attempt to do so.

To construct facilities to handle such movements and then to reduce rates to undercut plant storehouse expenses is simply to pile up heavy annual carrying charges that must be passed on to other users of the terminal services.

However, at certain seasons of the year such private storehouses may be inadequate to accommodate the load and it is uneconomical to construct plant extensions which will be used solely for peak season overflows. In such an instance the shipper can well afford to pay a compensatory rate at the terminals for storage services received and, if competition is to be the factor, the competitive rates should be aimed at this tonnage only.

The charges recommended herein satisfy the twofold need laid down earlier in this chapter. It will raise the charges to a compensatory level and it will require each commodity to compensate for the expenditures it has occasioned.

[fol. 2195] Part III—SUPPORTING DATA

[fol. 2196] Chapter I

#### *Determination and Allocation of Terminal Costs:*

The purpose of the allocations made herein is to determine the cost of rendering the respective services appearing in the wharfinger tariffs.

An examination of these tariff items indicates that certain tariff charges provide compensation to the terminal for the rendering of certain labor services or operations, such, for example, as those embraced in the definition of service charges.

Other charges are for compensation to the terminal for the use and provision of certain facilities (structures and/or equipment); such, for example, as the dockage charge for the use of the slip and wharf by the vessel, and the toll charge for the use of the transit sheds by the cargo.

Still other tariff items compensate the terminal for the provision of both labor services and the use of certain facilities or equipment. Such is the charge for wharf demurrage where the use of both labor and facilities is involved.

The task becomes that of measuring the use of (1) labor, and (2) facilities in the performance of the respective tariff services; and properly assigning such costs according to a just and reasonable interpretation of the tariff.

Care was taken to avoid (except in the instance of tariff and solicitation and allied items), the use of the gross revenue basis in making allocations as it was felt that (1) such basis did not truly reflect costs and that (2) the existing relationship of revenue items might be found at [fol. 2197] fault in this investigation and changed for the future.

The cost data was taken from the companies' ledger accounts after the latter had been tested for their accuracy by periodic spot checks against their bills.

In all previous cost studies no attempt was made to go beyond direct dock labor with some arbitrary allowances for office overheads, etc. However, these unallocated overhead items have amounted to 50 per cent or more of all terminal costs. To ignore this item was to largely nullify the effectiveness of a general cost study of the nature here involved. Hence no pains were spared to charge off every item of cost upon the basis outlined herein. In order that any errors of fact or judgment might be eliminated or reduced to a minimum, the following explanation of allocations was submitted to fifteen representatives of port bodies, marine terminals, steamship lines and shippers on the Pacific Coast for criticism, and their views and sug-

gestions have been given careful consideration in the breakdown of terminal costs.

The costs used herein are for the year 1935 (except where average expenditures for several years were required). The severe labor troubles and strikes of 1934 and the lower wage scales in effect prior to this date made the use of such periods inadvisable. An explanation of the method of allocating the costs follows:

[fol. 2198] *Index of Expense Items Whose Allocation is Herein Explained*

1. Direct Labor Costs of:

Checking Cargo,  
Assembling Freight,  
Making out Ship's Papers,  
Car loading and unloading,  
Handling and High Piling Wharf Demurrage  
Cargo,  
Handling Lines,  
Stencilling, Weighing, etc.

2. Executive and Administrative Officers.

3. Directors' Fees.

4. Traffic Department and Solicitation.

5. Advertising.

6. Association Dues and Donations.

7. Accounting and Billing Expense.

8. Timekeeper.

9. Messengers.

10. Watchmen.

11. Office Janitor.

12. Cleaning Sheds and Docks.

13. Recoopering.

14. Recoopering, Sale of Service.

15. Vacation, Holiday and Sickness Cost.

16. Telephone and Telegraph.

17. Dock Lights.

18. Office Lights, Heat and Water.

19. Power.

20. Water Used on Dock for Drinking and Sanitary Purposes Only.

21. Water Sold, Cost of.

[fol. 2199] 22. Miscellaneous Supplies.

23. Service to Office Machines.

24. Dock Tractors—Gasoline & Oil.
25. Stationery and Printing.
26. Postage.
27. Miscellaneous Expenses.
28. Bad Debts.
29. Legal Services.
30. Tariff Services.
31. Terminal Association Expense.
32. Absorptions.
33. Claims.
34. Insurance Premiums.
35. Employee Group Insurance.
36. Rental of Equipment.
37. Car Demurrage.
38. Strike Expense.
39. Transfer of Cargo to Other Terminals.
40. "No Berth" Expense.
41. Maintenance of Facilities.
42. Dredging.
43. Depreciation.
44. Taxes.
45. Return on Rate Base:
  - (A) Land.
  - (B) Improvements—Wharves, Buildings, Trackage.
  - (C) Working Capital.
  - (D) Organization Expenses.

[fol. 2200]      Explanation of Allocations

1. *Direct Labor Cost:*

Consists of the direct labor engaged in checking cargo to or from shippers and consignees or to and from the vessel, making out ship's papers, car loading, car unloading, handling and high piling wharf demurrage freight, handling lines, assembling of freight for delivery to vessel, stenciling, strapping, weighing, etc.

(a) *Principle of Allocation:*

Charge to those tariff services in the performance of which the labor was expended.

(b) *Application of Principle:*

Determine allocation upon basis of the time sheets or payroll records showing nature of work performed by each employee.

(c) *Examples:*

(3) Charge the direct labor of car loading and unloading to the Car Loading and Car Unloading accounts;

(2) Charge the labor of handling, consolidating, high piling and delivering wharf demurrage to the wharf demurrage or storage account.

(3) Charge the labor for stencilling, strapping, etc., to the stencilling, strapping and similar accounts.

(4) Charge the labor of checking cargo to and from the vessel or to and from the shippers and consignees to Service Charges (paid by the vessel).

If, however, such cargo remains in the hands of the terminal beyond the free time period and thus passes into the [fol. 2201] status of wharf demurrage (or storage) cargo, the subsequent cost of checking or delivering it to the consignee is chargeable against the wharf demurrage (or storage) account. This is upon the principle that the carrier's responsibility for recompensing the terminal for such clerical expenses ceases upon the expiration of the free time period.

(5) Charge the clerical labor of making out ship's papers, dock receipts, pile tags, etc., to "Service Charges."

(6) Where a single labor operation is performed on behalf of two tariff services, the cost of such labor should be prorated equally between the tariff items; i.e., the labor of checking cargo to rail cars is a function of both the service charge (paid by the vessel) and of car loading (paid by the shipper, consignee or rail carrier). The checker's time should be distributed equally to each service.

2. *Executive and Administrative Officers:*

Consists of salaries.

(a) *Principle of Allocation:*

Allocate on "basis of use" of officers' time devoted to respective tariff services.

(b) *Application of Principle:*

This allocation based on actual experience of each individual officer or executive in supervising the performance of the various services under his jurisdiction.

(c) *Example:*

Assume an officer's time is devoted as follows:

Dock cargo operations—40%.

Solicitation of traffic—40%.

Office administration—20%.

[fol. 2202] First determine the total composite allocation of (1) all dock labor; (2) traffic and solicitation expenses; and (3) office payrolls; and then charge the respective portions of the executive's salary accordingly.

3. *Directors' Fees:*

Consists of the fees paid members of the Board of Directors.

(a) *Principle of Allocation:*

Allocate in accordance with the directors' time devoted to the respective tariff services.

(b) *Application of Principle:*

Such time prorated upon same basis as executive and administrative officers' time is prorated. An alternative is an allocation upon the basis of all expenditures for the year.

4. *Traffic Department and Solicitation:*

Consists of traffic manager's salary, payroll of traffic department, salaries of solicitors, their traveling and solicitation expenses.

(a) *Principle of Allocation:*

The cost basis cannot be used.

Assume that a solicitor spends sixty minutes securing shipment of goods upon which the terminal earns 40 cents per ton in service charges, 15 cents per ton in tolls, and 4 cents per ton in car unloading. Upon no factual basis can the solicitor's salary be concretely allocated upon the pro-

portion of his time spent in selling these tariff services. His solicitation is not based upon such items.

[fol. 2203] (b) *Application of the Principle:*

Charge off upon the basis of the gross revenue received by the terminal from the respective tariff services.

(c) *Example:*

If 20% of the terminal's revenues are received from tolls and 30% from car loading, 20% of the traffic and solicitation expenses are chargeable to tolls and 30% to car loading, etc., etc.

5. *Advertising:*

Consists of advertisements carried in local trade journals, newspapers and traffic club periodicals.

(a) *Principle of Allocation:*

Allocate as per allocation of Traffic and Solicitation.

6. *Association Dues and Donations:*

Dues and business donations consist of memberships in and contributions to such organizations as the local Chamber of Commerce, local industrial associations and transportation clubs.

There are also charity donations consisting of those gifts to local community chests and charitable organizations which have no relation to the development of traffic and business.

(a) *Principle of Allocation:*

Allocate dues and business donations as per allocation of Traffic and Solicitation.

Charge charity donations to Profit and Loss—not includable in costs.

[fol. 2204] 7. *Accounting and Billing Expense:*

Consists of the general office salaries and expense of accounting, billing, bookkeeping, auditing, etc.

(a) *Principle of Allocation:*

Charge off upon the basis of the amount of the above office expense necessary to the performance of each of the tariff services.

(b) *Application of the Principle:*

The accounting expense is roughly proportionate to the sums of money for which an accounting is required. An accounting is required of all funds received from each tariff service rendered and for all funds expended for direct and overhead costs in the performance of each of these services. Hence, allocate the accounting and billing costs upon the basis of the amount of revenues received and moneys expended in the performance of each tariff service. There is an exception in the case of wharf demurrage and pool car services where the smallness of the revenues involved (and the amount of detail demanded) requires a disproportionate amount of accounting and billing expense per dollar of revenue received. Hence, in the case of these two services double weight is arbitrarily accorded per dollar of revenues and expenses handled.

An alternative to the above mathematical allocation is an allocation upon the same principle, but based upon the judgment of the chief accountant.

(c) *Example:*

Determine a weighted average of the percentage of total [fol. 2205] revenues derived from each tariff item and the percentage of total expenses chargeable to such item. Charge off the accounting expenses accordingly.

8. *Timekeeper—Salary:*

(a) *Principle of Allocation:*

Allocate upon basis of the proportion of his time devoted to the respective tariff services.

(b) *Application of Principle:*

Allocate his time upon the basis of the composite allocation of the total payroll over which he has charge. If a portion of his time is given over to other duties, such as the keeping of car loading records, such time should be charged

directly to the service concerned. In this instance it would be car loading.

#### 9. *Messengers:*

Consists of the salaries and commutation expenses of messengers engaged in the delivery of papers, samples, etc., throughout the Bay district.

##### (a) *Principle of Allocation:*

Allocate upon basis of the use of messenger service in the performance of the various tariff services.

##### (b) *Application of Principle:*

Estimate the proportion of messenger service required for each tariff service and so apportion it.

#### 10. *Watchmen:*

Consists of the expense of watchmen in the protection of:  
(1) all facilities such as piers, wharves, transit sheds; and [fol. 2206] (2) the cargo contained therein.

##### (a) *Principle of Allocation:*

Allocate upon the basis of the watchmen's time devoted to:  
(1) the protection of the above mentioned facilities; and  
(2) the protection of the cargo.

The charge to facilities must be further allocated to those tariff items which are responsible for, or which require, the use of such facilities.

The charge to cargo must be further allocated upon the basis of the volume of tonnage so protected; i.e., allocated to in-transit cargo, wharf demurrage cargo, etc.

##### (b) *Application of Principle:*

Assume 50% of watchmen's protection is chargeable to the facilities and equipment and 50% chargeable to the cargo. This split is upon the basis of a judgment estimate. It assumes the time is equally divided between the protection of the structures and equipment on the one hand and cargo on the other.

The amount allotted to structures is again segregated to the apron, wharf and sheds upon the basis of an arbitrary estimate of the time devoted to each on his rounds. His

time upon the apron, for example, may be finally charged 60% to the vessel in the form of dockage and 40% to the cargo in the form of tolls. His time in the typical shed may be finally charged 12% to dockage, 68% to service charges and 20% to wharf demurrage. (See Part I, Chapter II for the allocation of the apron and shed to the vessel and cargo.)

The 50% charged to cargo is again segregated upon the basis of the floor space occupied by in-transit cargo, wharf [fol. 2207] demurrage cargo and warehouse storage, if any. The costs would then be charged off respectively to service charges, wharf demurrage and warehousing.

#### 11. *Office Janitor:*

Consists of the expense of janitor service in the general offices.

##### (a) *Principle of Allocation:*

Allocate upon the basis of the time devoted to the performance of the tariff services.

##### (b) *Application of Principle:*

Allocate upon a composite basis representing the total allocation of the salaries of the general office staff which receives the janitor service. Where the staff is sufficiently large to permit one or more desks to be devoted to steamer records, car unloading records, pool car assembling, etc. the janitor expense may, for such proportional parts of the office, be allocated upon the basis of the desk space devoted to each of these services.

#### 12. *Cleaning Sheds and Docks:*

Consists of labor and water used in cleaning up the transit sheds and docks after the movement of cargoes.

##### (a) *Principle of Allocation:*

Charge to the tariff items which directly or indirectly embraced cargo handling, and thus were responsible for the cleaning.

##### (b) *Application of Principle:*

Allocate upon the basis of a judgment as to the amount [fol. 2208] of handling performed on in-transit cargo, wharf

demurrage cargo, cargo loaded or unloaded to or from rail cars, etc. The cleaning necessitated by the movement of in-transit cargo by the terminal in assembling operations (as well as stevedore operations) is charged to service charges; the cleaning after wharf demurrage operations is charged to wharf demurrage, etc.

### 13. *Recoopering (At Terminal Expense)!*

Consists of the expense of labor and materials for recoopering of in-transit cargo. Does not include labor sold for recoopering.

#### (a) *Principle of Allocation:*

Charge to the tariff service which by definition embraces the receipt of cargo from the shipper and its delivery to the vessel or vice versa, its receipt from the vessel and delivery to the consignee. The recoopering of cargo damaged during this period of handling should be charged to the tariff item covering the performance of these receipt and delivery services.

#### (b) *Application of Principle:*

Charge to service charges if cargo is within free time period. If cargo recoopered at terminal's expense while on demurrage, charge to demurrage account.

### 14. *Recoopering—Sale of Service:*

Consists of the recoopering services sold upon the basis of per package, per case or at direct cost plus 20%. Charge such cost to the shipper or consignee for whose account the work was performed. (Treated similarly to the sale of [fol. 2209] stencilling, weighing and strapping services).

### 15. *Vacation, Holiday and Sickness Cost:*

Allocate upon the same basis as the labor cost of the men who are off with pay on account of vacation, holidays or sickness. (Also includes cost of pensioning one man in the instance of one terminal.)

#### (a) *Principle of Allocation:*

Allocate to the tariff service in the performance of which the labor was expended.

**(b) *Application of Principle:***

Allocate upon the same basis as the labor cost of the man replaced. Charge off pensions upon a composite basis representing the allocation of all labor expense.

**16. *Telephone and Telegraph:***

Consists of telephone and telegraph bills.

**(a) *Principle of Allocation:***

Allocate upon the basis of the proportionate use of the telephone and telegraph in the performance of the respective tariff services.

**(b) *Application of Principle:***

Such proportionate use based upon the judgment of the office management as to the use and need of telephone and telegraph service in connection with the respective tariff items.

**17. *Dock Lights:***

Consists of the lights on the dock used for watchmen, for night stevedoring of vessels, for night car loading or unloading, for night receipt of cargo from shippers or delivery [fol. 2210] to consignees, etc.

**(a) *Principle of Allocation:***

Allocate upon the basis of the use of the lights required in the performance of the above services.

**(b) *Application of Principle:***

Determine the relative amount of electricity used in performing these services (based on estimates). Amount chargeable to the watchmen should be allocated as per watchmen's salaries; amount chargeable to stevedoring and receipt of cargo from shippers charged to service charges; amount used for night car loading charged to car loading, etc.

**18. *Office Lights, Heat and Water:*****(a) *Principle of Allocation:***

Allocate upon the basis of the consumption of light, heat and water in the provision of the tariff services.

(b) *Application of Principle:*

Allocate as per total salary allocation of the staff occupying the offices and necessitating the lights, heat and water.

19. *Power:*

Consists of the charge for electric current used for cranes, car pullers, electric heaters, current sold vessels and minimum standby charges on electrical equipment.

(a) *Principle of Allocation:*

Charge to the tariff services in the performance of which the current and electric equipment was used.

[fol. 2211] (b) *Application of Principle:*

Determine power used and standby charges upon basis of meter readings, the h. p. rating of the respective pieces of equipment, or upon a judgment estimate. Charge cost of power sold vessels to the proper tariff item providing for such sale.

20. *Water Used on Dock for Drinking and Sanitary Purposes Only:*(a) *Principle of Allocation:*

Charge to the services in the performance of which it was consumed.

(b) *Application of Principle:*

Charge one-half to ship stevedores use (i. e., charge to service charges); charge one-half to terminal dock labor, allocating it per allocation of total dock payroll.

21. *Water Sold, Cost of:*(a) *Principle of Allocation:*

Charge to tariff service for which cost was incurred.

(b) *Application of Principle:*

Charge to water sold.

22. *Miscellaneous Supplies:*

Consist of paper towels, electric light globes, paper sheeting, etc.

*(a) Principle of Allocation:*

Allocate according to use in the performance of tariff services.

*(b) Application of Principle:*

Allocate each item per the operations in which it is used; i. e., charge towels as per labor expense, electric light globes [fol. 2212] as per electric current, paper sheeting for protection of demurrage cargo to wharf demurrage, etc.

*23. Service to Office Machines:*

Consists of repair service to typewriters, adding machines, etc.

*(a) Principle of Allocation:*

Allocate upon basis of use of such machines in the performance of the respective tariff services.

*(b) Application of Principle:*

With the service cost known for each machine or group of machines, the machines may be allocated to the Traffic Department, to the Accounting Department, to the office staff engaged in making out the ship's papers, etc. The service costs may then be allocated as the respective departments are allocated, or the servicing costs may be allocated as per the salary allocation of all office staffs making use of the machines in question.

*24. Dock Tractors—Gasoline and Oil:**(a) Principle of Allocation:*

Allocate upon the basis of the use of the tractors in performing the services incidental to the various tariff items.

*(b) Application of Principle:*

Charge to each tariff service upon the basis of the estimated proportion of tractor time devoted to that service. Estimates provided by dock superintendents and time-keepers as to assignment of tractors, to car loading, assembling freight, etc.

[fol. 2213] 25. *Stationery and Printing:*

Consists of the cost of such printed forms as invoices, statements, dock receipts, pile tags, steamer manifests, and all the other necessary terminal forms and stationery.

(a) *Principle of Allocation:*

Allocate upon the basis of the need and use of such stationery in the performance of the various tariff services.

(b) *Application of Principle:*

Such use is to be measured through an estimate of the respective quantities of printed forms, papers and documents necessary and used in providing the various services. Estimates provided by office managers and purchasing agents based upon forms essential to vessel work, demurrage, car loading, solicitation, etc.

26. *Postage:*

(a) *Principle of Allocation:*

Allocate upon the basis of the proportionate use of postage in the performance of the respective tariff services.

(b) *Application of Principle:*

Such proportionate use based upon judgment as to need for and use of mail in connection with each tariff item. Approximate postage used for solicitation purposes, if known, may be charged off upon same basis as solicitation expenses are allocated.

27. *Miscellaneous Expenses:*

Consist of indemnity bonds, hospital expenses for clerks, dinner money for clerks, auto license plates on solicitors' [fol. 2214] cars, safe deposit box rent, etc., etc.

(a) *Principle of Allocation:*

Allocate on the basis of the use of labor and facilities in the respective tariff services.

(b) *Application of Principle:*

Charge auto plates as per solicitation, safe deposit box rent, and indemnity bonds as per accounting and billing, dinner money as wages of clerks involved, etc.

28. *Bad Debts:*

Consist of uncollectible accounts.

(a) *Principle of Allocation:*

Allocate upon the basis of the tariff items in which the losses occurred.

(b) *Application of Principle:*

Such tariff items determined by an examination of the uncollectible accounts for four to five years previous and charged to those services in which bills proved uncollectible.

29. *Legal Services:*

Consist of sums paid for legal counsel.

(a) *Principle of Allocation:*

Allocated upon basis of legal expenses incurred in connection with each tariff service.

(b) *Application of Principle:*

Such expenses measured by an examination of the subject matter of the legal proceedings in which terminal involved for several years previously and costs charged to the tariff services found so involved. Might also be allocated upon [fol. 2215] the same basis as executives' salary.

30. *Tariff Services:*

Consist of cost of tariff publication; i.e., terminal's tariff printing bills and services of rate experts. (This service is provided by the Terminal Association).

(a) *Principle of Allocation:*

Allocate upon basis of tariff expert's time and the printing expense chargeable to each tariff service.

(b) *Application of Principle:*

Such time and expense measured in terms of pages of tariff data (originally issued and reissued) carrying each tariff service.

### 31. *Terminal Association Expense:*

Consists of the respective terminal's share of the expenses of maintaining the Terminal Association, but excluding those expenses chargeable to tariff services allocated above. The balance here prorated consists of the costs of the Association of labor negotiations and adjustments.

#### (a) *Principle of Allocation:*

Allocate in accordance with the time spent in negotiating with the labor groups performing various terminal services.

#### (b) *Application of Principle:*

Such cost spread over the direct labor payroll involved in each tariff service. This is upon the assumption that the number of labor negotiations is proportional to the payroll engaged in providing each tariff service.

### [fol. 2216] 32. *Absorptions:*

Consist of expenditures incurred in absorbing various transportation charges, in whole or in part, for the purpose of equalizing transportation charges through other terminals or ports.

#### (a) *Principle of Allocation:*

Allocate upon basis of tariff revenues derived from tonnage thus attracted.

#### (b) *Application of Principle:*

Determine such revenue upon assumption that tonnage so attracted is a cross-section of all tonnage handled. Hence, allocate upon the basis of the relation of total revenue received from each tariff service to all gross revenue.

### 33. *Claims:*

Consists of claims paid as a result of loss or damage to cargo.

#### (a) *Principle of Allocation:*

Allocate to the respective tariff service in the performance of which the loss or damage arose. For example, if

claim was paid against goods on wharf demurrage, charge the expense to wharf demurrage.

(b) *Application of Principle:*

Determine tariff items responsible for claim upon examination of each individual claim for several years previous.

34. *Insurance Premiums:*

Consists of premiums for insurance covering fires, earthquakes, employee compensation, etc.

[fol. 2217] (a) *Principle of Allocation:*

Allocate the insurance premiums against the tariff items which directly or indirectly necessitate the carriage of such insurance.

(b) *Application of Principle:*

If the insurance is against a facility, allocate the premiums to the services using or requiring the use of such facility. For example, fire insurance covering wharves and sheds is allocated to the vessel or to the cargo upon the basis of the vessel's or cargo's use of such facility. (See breakdown of the use of wharves, sheds and land areas—Item No. 42). The cost of fire or theft insurance on transit cargo is charged to service charges. Similar insurance on demurrage or storage is charged to wharf demurrage or storage.

If the insurance covers labor (Accident Compensation, Federal and State Unemployment and Old Age Pensions, etc.) allocate the premium as the payroll of the group so covered is allocated.

35. *Employee Group Insurance:*

Consists of life insurance premiums covering fatalities away from the job.

(a) *Principle of Allocation:*

Allocate to the tariff services which require the use of the labor so protected.

(b) *Application of Principle:*

Allocate upon the same basis as the payrolls of the insured group are allocated.

[fol. 2218] 36. *Rental of Equipment:*

Consists of the rental by the terminals of miscellaneous types of equipment to facilitate or cheapen the cost of rendering certain tariff services such as car loading of steel sheets, strapping, etc.

(a) *Principle of Allocation:*

Allocate to the tariff service in which the equipment is used.

(b) *Application of Principle:*

Charge off as an expense to the tariff service concerned. For example, charge rental cost of strapping machines to strapping.

37. *Car Demurrage:*

Consists of demurrage charges paid upon cars engaged in car loading or car unloading.

(a) *Principle of Allocation:*

Allocate to tariff service in the performance of which the charge was incurred.

(b) *Application of Principle:*

Charge to car loading and unloading respectively; upon basis of demurrage accrued in each. However, when unloading delays arise from lack of shed space to accommodate rail-borne cargo, charge to toll. This is upon the principle that such use of cars constitutes a temporary extension of shed space which the cargo, upon payment of a toll, is entitled to.

38. *Strike Expense:*

Consists of costs of additional watchmen and reshipping [fol. 2219] certain cargoes to other terminals for handling.

(a) *Principle of Allocation:*

Charge off upon same basis as similar items are charged during non-strike periods.

*(b) Application of Principle:*

Charge off extra watchmen as the salaries of regular watchmen are allocated. Charge reshipping of cargo to service charges.

39. *Transfer of Cargo to Other Terminals:*

Transfer of cargo to other terminals or ports when insufficient tonnage is on hand to attract the vessel. Consists of costs of barging, draying or transferring cargo; costs incident to transfer of cargo during "hot cargo" strikes, and marine insurance on barged cargo.

*(a) Principle of Allocation:*

Allocate to the tariff item which by definition embraces the function of receiving goods from shippers and delivering them to vessels and to the tariff service (pool car assembling) which in its nature from time to time requires such transfer of cargo.

*(b) Application of Principle:*

Charge to Service Charges except in the case of pool car shipments which should be charged to the cost of pool car assembling.

40. *"No Berth" Expense:*

Consists of the cost of paying labor overtime when vessel delays are occasioned by the terminal or when the load [fol. 2220] ing is expedited at the request of the terminal and the cost of shifting the cargo upon failure to provide the scheduled berthing space when vessel arrives, but cannot wait.

*(a) Principle of Allocation:*

Charge to the tariff item which by definition embraces the "arranging of berth for vessel," or the delivery of cargo to the vessel.

*(b) Application of Principle:*

Charge to Service Charges.

41. *Maintenance of Facilities:*

Consists of the cost of repairs to wharves, transit sheds, fender lines, office buildings, etc. Where the costs were

available, a complete analysis was made over the life history of the units. Expenses were segregated for tender lines, aprons, sheds, offices, etc. Care was taken that no item was included which was properly chargeable to the depreciation reserve or to additions and betterments.

(a) *Principle of Allocation:*

Charge to those tariff services in the provision of which the facility was required.

(b) *Application of Principle:*

(See Part I, Chapter III, for allocation of facility costs between vessel and cargo.

42. *Dredging:*

Consists solely of maintenance dredging necessary to maintain the necessary depth of channel. Did not include original dredging costs which were assumed to have been [fol. 2221] embraced in the valuation placed upon the land, i.e., the land values taken were those upon the improved property. "after all original dredging." All dredging costs incurred over the full life of the terminal were analyzed and the average annual cost for maintenance dredging determined. As explained in Part II, Chapter III, no dredging costs were included beyond pier-head lines or beyond a line 75 feet out from quay wall structures.

(a) *Principle of Allocation:*

Charge to the tariff service in the provision of, which the expenditure was incurred.

(b) *Application of Principle:*

Charge to vessel, i.e., dockage. (See Part II, Chapter III.)

43. *Depreciation:*

Depreciation was charged off upon a 5 per cent (5%) sinking fund basis, wherein equal annual payments are set aside out of operating revenues which, compounded at 5 per cent interest, will accumulate to a sufficient amount at the end of the service life of the unit to replace it at its original cost. This method obviated the need for deter-

mining the remaining service lives for each unit of property, a prerequisite to the application of the straight line method of depreciation. The depreciation accounts of the companies were of little value as there proved to be too much variation between the rate of "write-off" and the expected lives of the respective units.

[fol. 2222] It was necessary, of course, to establish a reasonable expected service life for each unit of property. This was done by an examination into the life history of each facility, shed, wharf or other building at each terminal, as well as the experiences at San Francisco, Oakland and Los Angeles. The experiences of port authorities with each type of facility and each type of construction were noted. On the newer type of concrete piling, insufficient time has elapsed to provide a conclusive test as to its possible service life. However, judgment estimates were obtained from many authorities and these were duly weighed.

As a result, the following expected minimum and maximum service lives were determined. The service life used for this study is also noted.

#### Service Lives

Item	Estimated Service Life		Service Life Used for Depreciation Purposes
	Minimum Years	Maximum Years*	
Wharves:			
Untreated piling . . . . .	2	5	Not in use
Creosoted wooden piling . . . . .	20	30	20
Concrete capped wooden piling . . . . .	30	40	30
Concrete piles . . . . .	35	50 plus	40
Sheds:			
Corrugated iron . . . . .	20	25	20
Wooden . . . . .	30	50	35
Brick . . . . .	—	50 plus	35
Concrete . . . . .	—	50-plus	35
Dock Equipment (tractors, trailers, etc.) . . . . .	4	10	8
Furniture and Fixtures . . . . .	—	—	10
Automobiles . . . . .	—	—	4

\* Assuming ideal conditions for installation and maintenance.

[fol. 2223] A brief discussion upon the subject of the life of piling is desirable. The estimated maximum lives shown above are based upon an expected high standard of workmanship in the construction of the facilities with full advantage being taken of all known technical improvements.

At the same time there was noted creosoted pile failure arising from injuries or cuts in the pile surface while in

was being installed; failures from the sinking of a shallow hard pan strata into which piles have been driven; failure of concrete-capped piles from entrance of marine borers at the mud line; deterioration of full concrete piles due to impregnation of salt water and the rusting away of the steel reinforcing permitting the pile to chip away, thus sharply reducing its cross section; failure of concrete piles from insufficient tamping during construction or the use of an unsatisfactory mix; and even failures of concrete piles for no apparent reason whatsoever.

• While the ingenuity of the engineers has gone far to overcome the vagaries of nature, and all or most of the problems named above have been apparently overcome in new construction today, yet it must further be noted that a high grade of workmanship is not always obtained; that many early concrete pilings now in use have required heavy maintenance long before the expiration of their expected service lives; that the oldest concrete pile in the San Francisco Bay area is only twenty-five years old at present; and that allowances must be made for such economic factors as obsolescence, the change in the flow of traffic, and similar unforeseen contingencies.

[fol. 2224] In view of these factors it is concluded that for the purposes of this study the expected service lives on creosoted, concrete-capped, and full concrete pilings should not be held to exceed twenty, thirty or forty years respectively.

Corrugated iron sheds on salt water rust rapidly, particularly where the overlapping metal cannot be reached by protective paint. Even twenty years cannot be expected unless there is proper maintenance.

Brick and concrete wharf sheds will theoretically last fifty years and indeed for an indefinite period beyond. The limiting factor, however, is that of obsolescence which is here held to become 100 per cent effective on wharf sheds in not over thirty-five years. In fact some sheds built within the past ten years are today partially obsolete because of their inability to adequately accommodate the truck.

No salvage values were allowed as the cost of removal of the structures, particularly wharves, may easily exceed all revenues from salvage.

Dock equipment, consisting of jitneys, trailers, electric lift trucks, gravity conveyers, strapping machines, skids, high-piling machines, etc., is usually written off in a four-year period; but an examination of the life history of the major items indicated that they were still in good condition after six, eight or even ten years. Many of these items are comparable to the farmer's axe—it has had two new heads and three new handles, but it is still the same axe. Adequate and proper maintenance apparently can do much to prolong the life of this equipment. An eight-year service life was held to be reasonable. Automobiles were found [fol. 2225] to be turned in after three years, with a trade-in allowance received. A four-year period without trade-in value was believed reasonable for this study.

(a) *Principle of Allocation:*

Charge the depreciation upon each wharf, shed, facility or piece of equipment to those tariff services in the performance of which the unit or item was required.

(b) *Application of the Principle:*

For allocation of wharf and shed depreciation, see Part I, Chapter III.

Depreciation on dock equipment was allocated to the demurrage, car loading or other services upon the basis of its use in such services.

Depreciation on automobiles was charged to the service which required its use. The preponderance of automobile usage came from solicitation.

44. *Taxes:*

Consist of property, capital stock and income taxes.

(a) *Principle of Allocation:*

Charge to the tariff services, the provision of which resulted directly or indirectly in the tax being incurred.

(b) *Application of the Principle:*

(1) Spread property taxes over the respective facilities upon the basis of their assessed values. For allocation of taxes on facilities, see Part I, Chapter III.

[fol. 2226] (2) Allocate capital stock tax upon that composite basis representing the final distribution of the plant investment between the major services performed.

(3) Income tax: Distribute upon the basis of gross revenues.

#### 45. *Return on Rate Base:*

The return upon the investment is here interpreted as the cost of capital. It is the amount available for interest, dividends and surplus.

The rate should be sufficient to attract capital to the industry and should be similar to that for similar undertakings attended by corresponding risks and uncertainties. The requirements in this have been summed up by the United States Supreme Court as follows:

"The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties."

(Bluefield Waterworks and Improvement Company vs. Public Service Commission, 262 U. S. 679.)

In recommending a rate of return in accordance with the above mandate, the authors took into consideration the following points:

(1) The wharfinger business, although subject to State regulation, is not protected from public and private competition and for this reason it may be grouped among the more hazardous of the public utility enterprises.

[fol. 2227] (2) With a high degree of labor cost to total cost, it is peculiarly vulnerable to labor troubles. The past two years' experience has indicated this.

(3) There has been a rapid change in the character of the East Bay tonnage in recent years from bulk to general cargo, the latter being less profitable because of the higher labor costs.

On the other hand, it is to be noted that:

(1) The private terminals have in general been able to successfully withstand the competition of public port bodies.

(2) The terminals have been able to make long term bank loans at rates substantially under the 7 per cent herein recommended.

(3) The rate of return available on money placed for investment has declined on the average between one and two per cent in recent years.

(4) Since 1932 the private terminals have enjoyed a small but steady increase in traffic with an increase for the first quarter of this year over last of better than 10 per cent. With approximately 40 per cent of their costs fixed, they are in a position to benefit from such increases if they continue. The present trend in the volume of all business activity is upward.

(5) There has been no apparent lack of capital attracted to the industry.

[fol. 2228] Upon consideration of these factors, the authors believe that for the purpose at hand a 7 per cent return is reasonable. On property owned by the Port of Oakland, a return of 6 per cent on land and 6½ per cent on improvements was used in accordance with an expression from this body. On property owned by the City of Richmond, a return of 5.3 per cent, which represented the average rate of interest on outstanding harbor improvement bonds, was used. This was in accordance with an expression from this body.

The rate of return must be applied to the rate base. The determination of the latter is outlined below.

#### A. Land Values:

The following land values were used:

(1) *Encinal Terminals*: Sixty cents per square foot upon all areas except certain pieces used for a water tower and for street access upon which a value of twenty cents per square foot was used. Source of value—Valuation Department of the Railroad Commission.

(2) *Howard Terminal*: One dollar per square foot (after original dredging expense). Source of value—Valuation Department of the Railroad Commission.

(3) *Quay Wall Property, Port of Oakland*: (Leased by Howard Terminal). One dollar per square foot, before original dredging expense. Dredging costs capitalized in addition. This property was held to be worth one dollar per square foot before original dredging because of the narrow strip paralleling shore line. Source of value—Port of Oakland.

[fol. 2229] (4) *Parr-Richmond Terminal*:

Outer Harbor No. 1—35 cents per square foot.

Inner Harbors Nos. 2 & 3—40 cents per sq. ft.

San Pablo Dock No. 4—20 cents per sq. foot.

Source of value—estimate of the authors.

The areas included only those used and necessary to the wharfing service. Areas occupied by shippers, stevedores or other parties, whether under lease or not, were removed from consideration. It is recommended elsewhere in this report that a charge be assessed for the use of such areas. All areas devoted to warehouse use were likewise excluded.

#### *B. Improvements: Wharves, Buildings, Trackage:*

In accordance with the use of the sinking fund method of depreciation, the original cost of the properties was used as a rate base. A check at one of the major terminals applying the straight line method and a depreciated value based upon the estimated remaining service lives of the major property units showed little change in the results obtained.

A check of the construction costs of new wharf units built within the past two years indicates that the costs differ very little from the costs of similar construction approximately ten years previous when many of the units now in existence were built. The authors conclude that the reproduction costs now are substantially the same as the original costs of the properties.

#### *C. Working Capital:*

A study of the working capital needs of the terminals indicates that they bill the vessels for service charges and

tolls (collected by the vessel) continuously; the railroad [fol. 2230] on ear-loading charges, bi-monthly; and demurrage accounts, monthly.

Sufficient working capital to carry the terminal for a two-week period was felt to be reasonable. This approximated \$20,000 at the two major terminals and constituted, roughly, 5 per cent of their annual expenditures. A lesser amount was allowed at the smaller terminals.

#### *D. Organization Expenses:*

At the major terminals either no record was found of such early expenditures or else they had been largely charged off to operating expenses.

#### *Allocation of the Return:*

##### *(a) Principle of Allocation:*

Allocate the 7 per cent return upon the rate base, (i. e. the 7 per cent return upon land, wharves, sheds, tracks, roadways, equipment, offices, furniture and fixtures, automobiles, etc.) to those tariff services, the performance of which requires the use of such facilities.

##### *(b) Application of Principle:*

For allocation of return on sheds, wharves, etc., see Part II, Chapter III.

Return on equipment allocated to each tariff service upon the basis of the use of that equipment in providing such services.

Office equipment used exclusively in performance of service charge operations is charged to the vessel; that used for demurrage records, etc., is charged to demurrage; etc. Other equipment and furniture and fixtures was allocated upon same basis as office payroll.

#### *[fol. 2231] Summary:*

The above items constitute in full the expenses used in the construction of the cost studies which are embraced in this report.

*[fol. 2232]*

#### *Chapter III*

##### *Ability of the Vessel to Pay:*

The charges recommended herein will result in a total increase against the vessel of from six to seven per cent

or approximately 2.5 cents per ton. Most of this will lie in the assessment of the San Francisco basis of dockage. Whatever upward increases there may be in the service charges are offset by the reduction of 10 cents per ton in the charges against the vessel when it does not call direct but barges.

Concerning the ability of the vessels to pay this average increase of between 2 and 3 cents per ton, note is made of the following:

1. The Intercoastal lines enjoyed an increase of approximately \$1.00 per ton, or about 10 per cent, on all major commodities effective October 3, 1935. The added revenues, however, were largely absorbed by labor troubles, wage increases and an increased cost of supplies and materials.

2. The Foreign lines have assessed a handling charge of 40 cents per ton, or an average increase of about 5 per cent, since the first of the year.

3. Pacific Coast-European Conference increased rates effective January 1, 1936, average about 10 per cent on twenty-three important items. The three major commodities, i. e., canned goods, dried fruit and lumber, were not changed.

4. Pacific Straits Conference increases in the general rate level ranged from \$1.00 to \$2.00 per ton, or an average of about 10 per cent, effective January 1, 1936.

[fol. 2233] 5. Pacific Westbound Conference (Oriental), in the fall of 1934, increased rates about ten per cent. On May 3, 1936, rates on scrap iron and steel, largest commodity in the trade, increased as follows: (per 2,240 pounds)

Compressed scrap	from \$3.50 to \$4.00
Scrap rail	from \$3.75 to \$4.00
No. 1 Misc. scrap	from \$4.25 to \$4.75

6. Pacific Coast-Australasian Conference increased rates on many articles in January and February, 1936. Examples:

Fire arms	from \$15.00 to \$20.00 W/M
Ammunition	from 17.00W to 20.00 W/M
Lanterns and parts	from 10.00 to 15.00
Glucose, in bags	from 10.00W to 15.00 W/M

7. Pacific Coastwise Conference increases in interstate and intrastate rates in 1935, and in joint rail and water rates in 1936 (April), ranged from a few cents to \$1.00 per ton. On account of severe competition, however, many commodities could not stand substantial increases. Carriers in this Conference are in a poor financial condition today.

8. The tonnage handled to and from the vessels calling at the major terminals has increased between 10 and 15 per cent for the first quarter of this year over last year.

9. The American-Hawaiian Steamship Company is one of the few ship lines that periodically issues a public statement concerning its financial position. In terms of services, sailings and tonnage handled, it presents a cross section of the industry. The following statement of its position for both March of this year and for the first quarter of this year should present some indication of the relative position of the industry. It follows:

[fol. 2234] Comparative statement of consolidated Profit and Loss for March 1936-1935 is as follows: (Source—American-Hawaiian Steamship Company, San Francisco, California.)

Item	March		Three Months Ending March 31	
	1936	1935	1936	1935
Operating Earnings .....	\$1,284,522.08	\$780,790.59	\$3,712,362.24	\$2,580,974.10
Operating & General Expenses .....	1,163,608.40	814,680.60	3,367,063.76	2,674,481.14
Net Profit or Loss from Oper. ....	120,913.68	(D)33,890.01	345,298.48	(D)93,507.04
Other Income:				
Interest and Dividends received on investments and from other sources .....	6,413.37	7,050.00	16,503.05	13,100.85
Total Profit or Loss before Depreciation and Federal Income Tax ..	127,327.05	(D)26,840.01	361,801.53	(D)80,406.19
Provision for Deprec. ....	58,189.72	58,250.63	170,985.89	169,367.50
Non-Recurring Items:	69,137.33	(D)85,090.64	190,815.64	(D)249,773.69
Profit or Loss on Sale of securities .....	—	—	3,384.76	(D)17,310.53
Net Profit or Loss before Federal Income Tax .....	\$69,137.33	(D)85,090.64	\$194,200.40	(D)267,084.22
D Indicates Loss				

The consolidated report of American-Hawaiian Steamship Company and subsidiary companies shows in March 1936 the net profit from operation of \$120,913.68 as compared to a net loss of \$33,890.01 in March 1935. After allowing for depreciation and after capital gains or losses there was a net profit of \$69,137.33 as compared to a net loss of \$85,090.64 the year before.

[fol. 2235] For the three months ending March 31, 1936, the net profit from operation was \$345,298.48 as compared to a net loss of \$93,507.04 for the same period in 1935. The net profit after allowing for depreciation and after capital gains or losses for the three months ending March 31, 1936, was \$194,200.40 as compared to a net loss of \$267,084.22 for the same period in 1935.

The tonnage handled by this line for 1935 was greater than for any period since 1930.

Upon consideration of all the above factors, the authors express the belief that the increase of between six and seven per cent against the vessels (averaging 2.5 cents per cargo ton) is not beyond their ability to pay.

[fol. 2236] <sup>2</sup>

#### Chapter IV.

#### *Economic Characteristics of the Marine Terminal Industry:*

Throughout this report there has been presented various data dealing with the economic characteristics of the marine terminal industry. For many reasons it appears as desirable to summarize such data. This is done briefly below. The figures given are what can best be termed as "judgment values" drawn from an examination of the cost characteristics of each terminal.

#### Dockage Charge

(See Pages 46 and 47 for details)

#### *Average Cost:*

10.0c per cargo ton.

0.865c per gross registered ton.

1.402c per net registered ton.

#### *Construction of Dockage Charge:*

3% operating expenses.

2% office—salaries.

3%	general expenses.
15%	shed aisles.
77%	waterway (slip or basin) and apron costs.
<hr/>	
100%	

### Service Charges

(See Pages 76 and 77 for details)

*Direct Costs:* 44.0%

*Indirect Costs:*

1. Salaries 28.0%

2. General Expenses 28.0%

(Latter includes allowances of approx. 0.9c per ton for absorptions, barging, draying and similar costs. The tariff absorption items were allocated over all services upon a gross revenue basis).

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100.0%

[fol. 2237]

### Wharf Demurrage

(See Pages 100 and 101 for details)

1. Cost of checking to or from consignee 5c per ton
2. Cost of piling second tier and breaking it down 20c per ton
3. Cost of piling the third tier and breaking it down 20c per ton
4. Cost of miscellaneous moving, shifting and assembling where no high piling is involved 2.5c per ton
5. Overhead Costs:
  - (a) Non-variable 7.10c per ton
  - (b) Variable 9.17c per ton per 30 days

### Toll Charges

(See Pages 59 and 60 for details)

1. Average over-all cost for all tons 21c to 22c
2. Average revenues 11c per ton
3. Upon breaking down the above average costs the following values were determined:
  - (a) The costs of handling bulk cargo loaded direct and not handled through sheds 17c to 18c per ton

(Assuming such direct loading apron facilities are used to reasonable capacity. Otherwise the costs per ton will be correspondingly higher. Above values based upon direct loaded tonnage constituting 25 to 30 per cent of total tonnage.)

(b) The average toll cost on cargo moving through sheds, after excluding cargo handled direct, averages between 22¢ and 23¢ per ton

[fol. 2238] 4. If a toll charge of 15 cents per ton is assessed upon Inland Waterway and Coastwise trades, as herein recommended, the toll cost to be borne by the Offshore cargoes rises from 2 cents to 3 cents per ton for both bulk and shed tonnage, i. e., to approximately 20 cents and 25 cents per ton respectively.

### Car Loading and Unloading Charges

(See Pages 112 to 115 for details)

1. Average over-all costs	45¢ to 47¢ per ton
2. Construction of charge:	
Direct labor	62%
Equipment	6%
Salaries (Office)	15%
General expenses	14%
Miscellaneous	3%
	<hr/> 100%

### Cost to Terminal of Providing Truck Facilities as Compared to Rail Facilities

(See Pages 127 and 128 for details)

Cost of facilities peculiar to truck transportation	5.7¢ per ton
Costs peculiar to rail transportation (Covers only depressed tracks and tonnage moving thereon to and from sheds)	5.5¢ per ton
All costs peculiar to rail transportation (Including rail facilities on apron high line tracks and embracing all rail borne tonnage)	8.5¢ per ton

## [fol. 2239] Over-all Costs of Operating a Marine Terminal

1. Operating expense (100% dock labor)	30%—33%
2. Office—salaries	16%—18%
3. General expenses	13%—15%
4. Maintenance, dredging, depreciation, taxes and return	35%—40%

In closing, the comment is made that the losses being borne by the terminals are met by deferring the items in No. 4 above.

[fol. 2240]

## Chapter V

## Definition or Explanation of Terms Used

1. *Classification of the Steamship Trades:*(a) *Coastwise:*

Service along the Pacific Coast of the United States between the Mexican and Canadian borders, including such service when via British Columbia ports.

(b) *Inland Waterway:*

Service between San Francisco, Oakland, Alameda or Richmond, California, and ports or points located on San Francisco Bay and inland waterways tributary thereto, but not via the Pacific Ocean.

(c) *Intercoastal:*

Service between San Francisco Bay ports and ports in the United States on the Gulf of Mexico or Atlantic Ocean.

(d) *Hawaiian:*

Service between San Francisco Bay ports and ports in the Hawaiian Islands.

(e) *Alaskan:*

Service between San Francisco Bay ports and ports in Alaska.

(f) *Trans-Pacific:*

Service between San Francisco Bay ports and points west of the 170th Meridian of West Longitude, (principally to Asia, Philippines, Australasia and East Coast of Africa.)

**(g) Foreign:**

Service to points other than heretofore described, (principally to Europe, Central and South America and Caribbean Sea ports.)

**(h) Offshore:**

Embraces all the above trades with the exception of "Coastwise" and "Inland Waterway."

## **2. Definition and/or Explanation of Wharfinger Terms and Charges:**

**(a) Service Charges:**

Except as otherwise provided, the Service Charge covers any one or more of the services described below, and shall be assessed against all vessels:

1. Arrange berth for vessel.
2. Arrange for cargo space on dock.
3. Check cargo to or from vessel.
4. Receive outbound cargo from shippers.
5. Deliver inbound cargo to consignees.
6. Make up dock manifests and loading lists or tags covering cargo loaded aboard vessels.
7. Prepare over, short and damage reports.
8. Order cars.
9. Give information to shippers and consignees regarding cargo, sailing and arrival dates of vessels, and other incidental data.
10. Lighting wharf.

(Service Charge does not include any labor of handling cargo.)

**(b) Dockage Charges:**

The charge assessed against a vessel and/or watercraft for docking at a wharf, pier or seawall structure, or moored to a vessel so docked, or coming within a slip, channel, basin or canal.

**(c) Toll Charges:**

The charge for cargo conveyed on, over or through any wharf, pier or seawall structure, [fol. 2242] both inward and outward, or loaded or discharged while the vessel is moored in any slip, basin, channel or canal.

(d) *Wharf Demurrage Charges:*

The charge assessed against merchandise which remains on the terminal for five days beyond the free time period. (Penalty charge.)

(e) *Wharf Storage Charges:*

The charge assessed for storage on a fifteen (15) day period basis unless otherwise provided.

(f) *Receiving and Delivery Charge:*

The charge assessed to cover the labor and clerical duties incidental to receiving, stowing, piling and delivery, but does not include loading or unloading of cars, vehicles or vessels, unless so specified. Receiving and delivery charge will be billed with the storage for the first month.

(g) *Pool Car Assembling Charges:*

The charge for assembling small lots of freight from two or more shippers to make up the minimum weight for a carload watershipment, and forwarding it to destination for delivery to two or more consignees.

(h) *Charge for Handling Rolls of Boxboard in Open Cars:*

The charge for moving cars on dock and covering contents with tarpaulins.

(i) *Charge for Weighing:*

1. Charge for weighing merchandise by individual package or by hand-truck loads.
2. Charge for weighing carload lots over railroad track scales and issuance of weigh-master's certificate.

(j) *Charge for Taring:*

The charge for removing goods from containers, weighing containers and replacing goods in containers.

(k) *Charge for Case Labeling:*

The charge for attaching paper labels to the outside of cases.

(l) *Charge for Case Strapping:*

The charge for placing wire strapping around cases.

[fol. 2243] 3. *Cargo N. O. S.*:

Cargo not otherwise specified or indicated by name in the terminal tariffs. In the application of service charges, toll and wharf demurrage relatively few specific commodity rates are quoted. The "Cargo N. O. S." or "Merchandise N. O. S." items therefore embrace a substantial part of the total tonnage moving.

4. *Gross Registered Tonnage*:

A measure of the internal capacity of the entire ship, in some measurement rules including superstructures, in terms of approximate tons based on space. For this purpose 100 cu. ft. of closed-in space are designated as one ton.

5. *Net Registered Tonnage*:

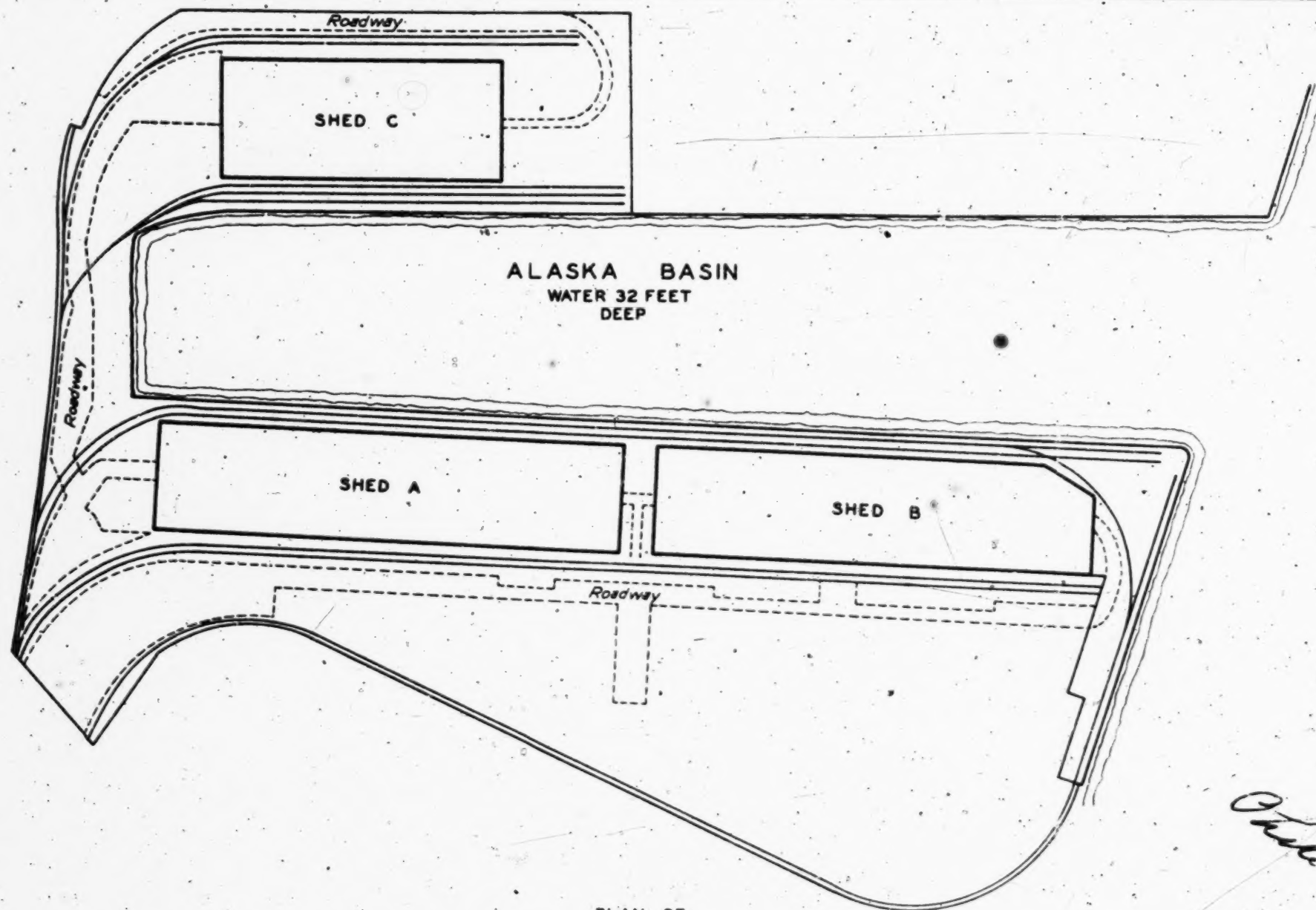
A figure, measured in the same units as the gross tonnage, obtained by deducting from the gross tonnage allowances made for the ship's machinery, navigation and propelling space and quarters for officers and crew. The net tonnage is thus intended to be a measure of the passenger and cargo-carrying or earning capacity of the ship. It is usually about 63 per cent of the gross tonnage.

6. *Under Deck Tonnage*:

Under deck tonnage comprises the exact measurement of the total space below the uppermost full length deck.

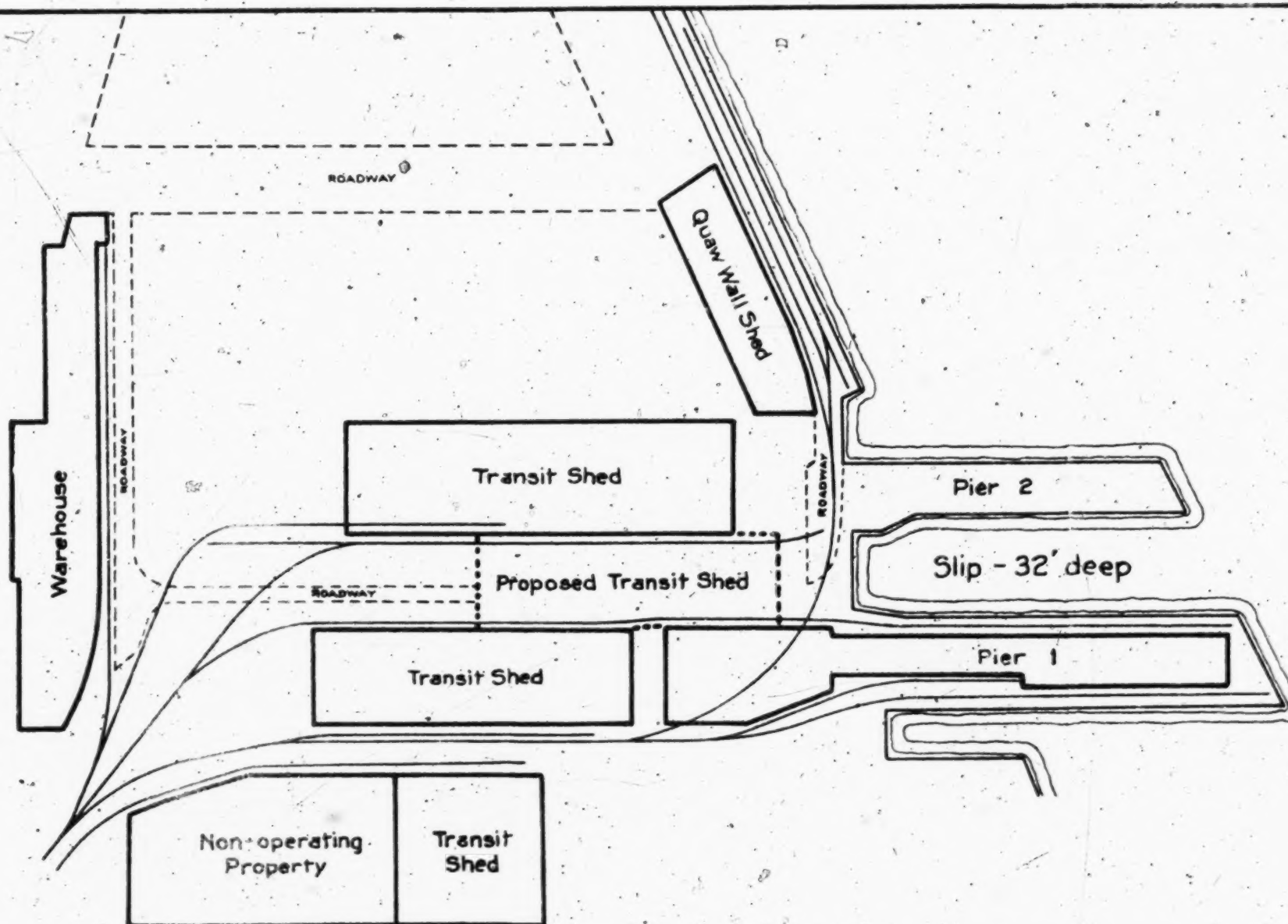
7. *Point of Rest*:

The point of rest, as used herein, means the first point at which the vessel or its agent can pick up cargo for move- [fol. 2244] ment to ship's tackle or deposit cargo after discharge from ship's tackle.

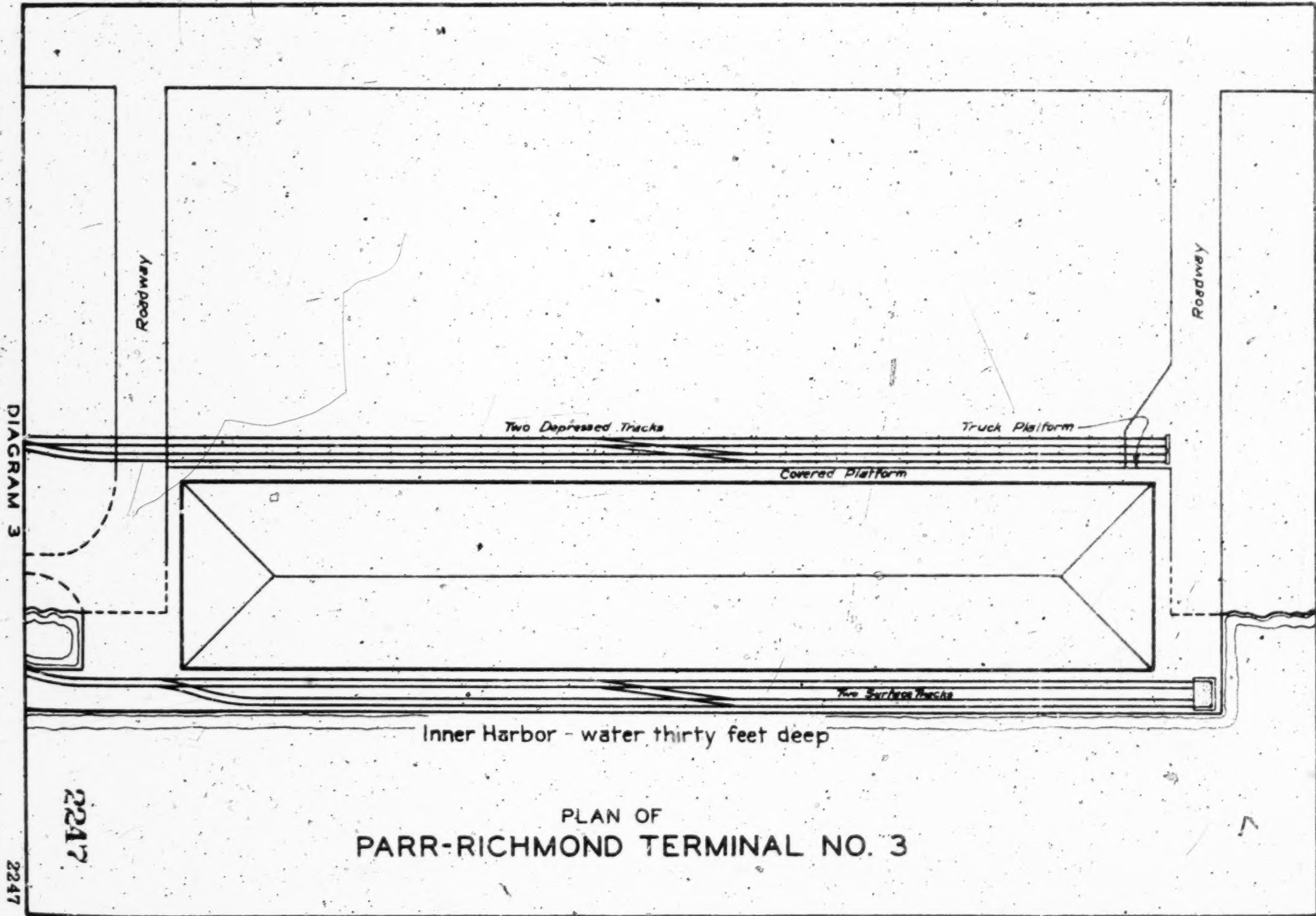


PLAN OF  
ENCINAL TERMINALS

DIAGRAM 2



PLAN OF  
HOWARD TERMINAL



PLAN OF  
PARR-RICHMOND TERMINAL NO. 3



EXHIBIT No. 62

# PROCEEDINGS

OF

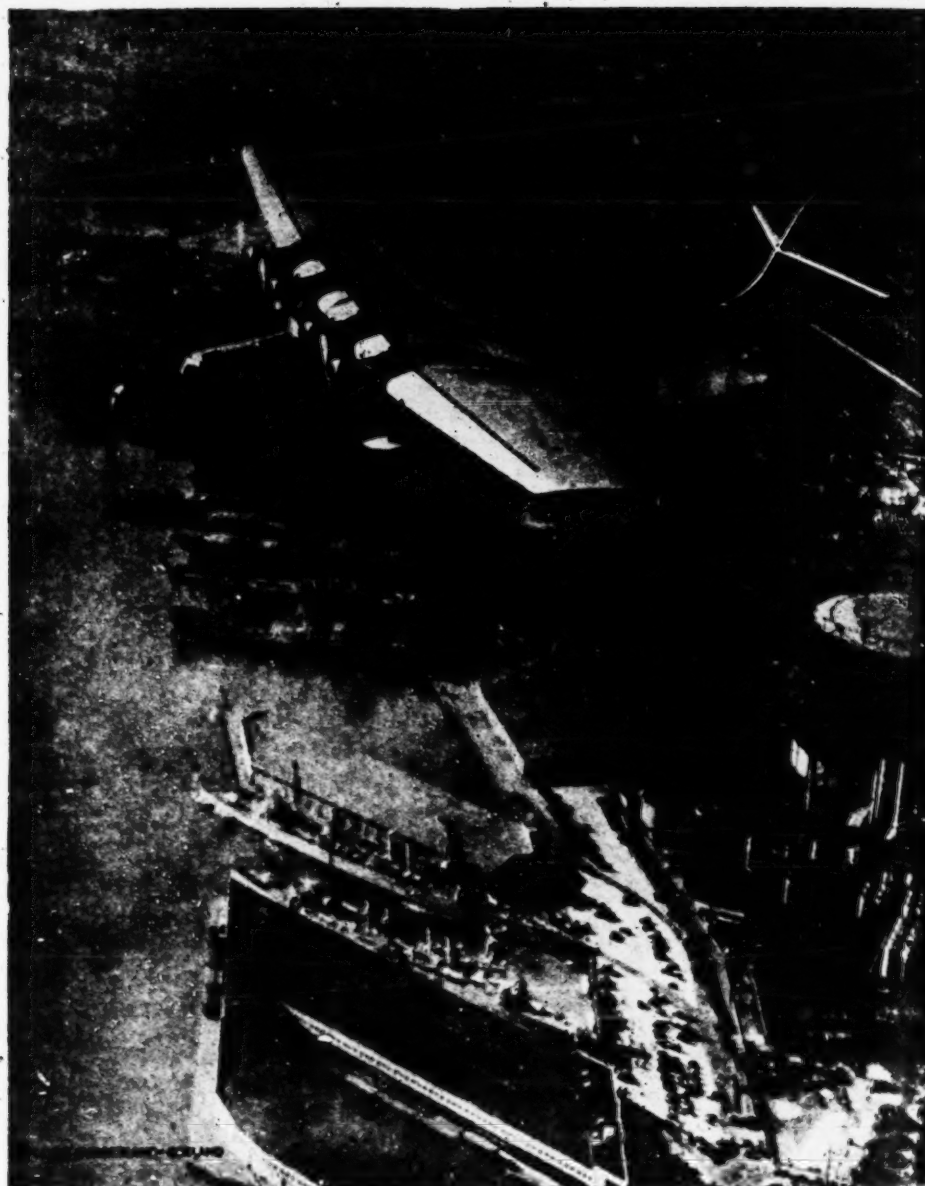
## Twenty-Sixth Annual Convention

### Pacific Coast Association of Port Authorities



OAKLAND, CALIFORNIA

August 23, 24, 25, 26, 1939



PAN-AMERICAN AIRWAYS CLIPPER OVER OAKLAND INNER HARBOR  
GROVE AND MARKET STREET PIERS IN FOREGROUND

# PROCEEDINGS

OF

## Twenty-Sixth Annual Convention

### Pacific Coast Association of Port Authorities

OAKLAND, CALIFORNIA

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# Pacific Coast Association of Port Authorities

## TWENTY-SIXTH ANNUAL CONVENTION

August 23-26, 1939

WEDNESDAY, AUGUST 23, 1939

10:00 A. M.

Convention was called to order by President A. H. Abel acting as Chairman.

**PRESIDENT ABEL:** The meeting will please come to order. The Twenty-Sixth Annual Convention of the Pacific Coast Port Authorities is now in session. We hope that the sessions will be enjoyable as well as profitable and that we shall all receive many constructive and helpful suggestions to carry home with us. I am sure, on behalf of the shipping and business interests of Oakland, that I may say we are happy indeed to have you with us.

At this time, I have the honor of presenting to you the honorable W. J. McCracken, Mayor of the City of Oakland, who will extend to you a welcome to this city. (Applause.)

**MAYOR W. J. McCracken:** President Abel, and representatives of the Port Authorities of the Pacific Coast: I am glad to welcome you here and tell you we are very grateful to have you here. You have come in response to our invitation. I hope every moment you shall spend here will be very pleasant.

It has been seventeen years since your last convention was held in Oakland, and during that time a great deal of water has gone over the dam and many things have taken place. Even those seventeen years are not a great many years in the life of the average person. During the World War we saw a rapid change in our local conditions, and international conditions. We saw an unprecedented prosperity that was unprecedented; we saw the wheels of industry moving fast; we saw new skylines taking place where none existed before; we saw industry moving at a rate that has not been equaled in past years; shipping and ship operations were at their high point. And then the tragic end came when the false bubble that we were living in became to us a bubble and the bubble burst.

Fortunes that had been made were lost; industry had been paralyzed; and many disappointments had come to us throughout the world and other nations. Then we saw a "new deal," a new administration come into effect with laws enacted and changes that seemed to bring us back to our original purposes as designed in our Constitution, and I might say that if the authors of our Constitution and the framers could see what has gone on and what is going on, they would feel like turning over in their graves, and rising up and giving us some substantial advice. And then we saw new phases of international activity in foreign nations; we saw democracies tossed aside; autocracies and dictatorships come into being; and with all this turmoil that is going on from day to day, as we look at our

morning paper, we do not know what is going to happen next. We do not know from moment to moment where we will go from here. However, American people are so charmed with an indomitable will, and in view of all the chaos and confusion that is going on in the world today, with all its uncertainties as to where we may be tomorrow, the American people are going on industriously in their own way.

We have built two world fairs, with millions and millions of people directing their thoughts toward pleasure and education. We meet here in convention to plan for our future as though nothing had happened in the past and nothing inimical will happen in the future. And so, we look upon the past as a process of evolution; mankind goes on and upward to a better condition, and I believe the experiences we have had in the past are the kind of experiences that have been known throughout the whole era of history; and we can live in hopes that with a change in the present administration, which, I think, has been a great detriment to this nation—with all the dissension and the gulf that has been placed between the administration and capital, the chaos between industry and employment, the difficulties between the various kinds of unions—we will be led out of the state of turmoil that now seems unathomable. I believe that the energy and the hope and the faith of the American people will surmount all these kinds of things and that the very spirit that is shown here today in coming from the various parts of the Pacific Coast, engaging in constructive thought and planning for the future regardless of all the turmoil around us is indicative of the fine spirit of the American people which, in the end, will overcome all obstacles.

So it is in this spirit, members of the Pacific Coast Association of Port Authorities, that I want to bring you the greetings of the City of Oakland, and to tell you that we are immensely pleased to have you here after a period of seventeen years, and we hope that it will not be that long again before you come back. We want to extend to you all the hospitality that we have to offer here in the city, and this is done with the hope that your convention will prove not only profitable, but also pleasant, and that you will leave the City of Oakland with many happy memories of your visit here with us. (Applause.)

**PRESIDENT ABEL:** Thank you very much, Mayor McCracken, for that splendid welcome you have given the delegates and guests of the Association. I trust that you can find time—we know you are now very busy—but I trust you can find time during the convention to take part in our further deliberations.

**MAYOR McCracken:** Thank you. If you will excuse me, I will go about my regular duties. Good-bye. (Applause.)

**PRESIDENT ABEL:** We are also honored this morning by the President of the Board of Port Commissioners, Port of Oakland, the Honorable James J. McElroy. Mr. McElroy has been for many years a member of the Board

and has kept in touch with maritime matters, I think, since his early days; he has also been a world traveler. I feel he is very well advised in the matters of the Pacific Coast as to harbors and trade. It is with a great deal of pleasure that I will ask Mr. McElroy to say a few words of welcome on behalf of the Port of Oakland. (Applause.)

**MR. J. J. McELROY:** Mr. Chairman, and gentlemen of the Convention:

I know you did not come here this morning to hear a lot of unnecessary speeches, but I want to assure you that it is a pleasure for the Port Commission to entertain you on this, your second visit to the City of Oakland.

We of Oakland have very pleasant memories of your last convention. Prior to that convention, the City of Oakland, in attempting to administer its waterfront, seemed to be wandering in a maze. There was nothing definite; there was a very indefinite atmosphere, but there were thoughts and ideas gained at your last convention that I think were instrumental in organizing a port commission for the City of Oakland, and for that reason we have always entertained a pleasant memory of your last coming. We are going to try to make this stay as pleasant as we can, and show you our big bridges, our fair, our waterfront, our skyline, and at the same time give you plenty of time to transact your business. I want to assure you again we are very happy to have you with us. (Applause.)

**PRESIDENT ABEL:** Thank you very much, Mr. McElroy. I trust that you, as President of the Board of Port Commissioners of the Port of Oakland, can find time during this convention to spend quite a bit of time with the gentlemen here. I think you will find it will be quite profitable.

May we have a response by our good friend, Kenny Burns?

**MR. K. J. BURNS (Vancouver, B. C.):** President Abel, Mayor McCracken, Mr. McElroy:

It is with a great deal of pleasure that we have listened to your very kind words of welcome to the members of our Association. A number of years ago, when I first had the honor of visiting Oakland, I was shown a lake in the center of your beautiful city which was covered with all kinds of wild fowl and was for them a sanctuary where, during their visit with you, they were assured of happiness, comfort, safety, and contentment. When asked to bring to you an address of welcome, my thoughts drifted back to that day and I thought surely we may very aptly use the same word, "sanctuary," in connection with our visit here with your citizens at this time. We will be with you for several days, and know full well that the best wishes of your city and port are ours, and that during the time we are with you we are assured of a welcome second to none. We all greatly admire your port, with its magnificent air and other important facilities, to say nothing of the efficient management of same, and we will without a doubt greatly benefit from our visit with you.

During the past year we have all at times been upset by wars and rumors of wars, but at least for the next few days, while we are with you as your guests, all such worries, I feel, will evaporate, due to the kindness and hospitality of your citizens.

May I, therefore, on behalf of the members of the Pacific Coast Association of Port Authorities, thank you most sincerely for your very kind words of welcome given to us this morning. I thank you. (Applause.)

**PRESIDENT ABEL:** Thank you very much. Now that we have had our words of welcome and the response thereto, I think it is fitting before we start our deliberations to have a word of spiritual guidance, and I am

going to ask our friend, Rev. Harold Thatcher, to pronounce the invocation.

**REVEREND THATCHER:** Almighty God, to whom all hearts are open, all desires known, and from whom no secrets are kept, before the mountains were brought forth or ever Thou didst form the ear or the word, even from everlasting to everlasting, Thou art God. We do not at this moment presume or during the duration of this convention to dictate Thy policies, for Thy dominion is from sea to sea and from the river to the ends of the world. But we make bolder, in the name of Christ, the Savior and Redeemer of all men everywhere, to invoke Thy blessings and ask for Divine Wisdom in the consecration of matters which most surely relate to the economic, social, and spiritual welfare of the entire world. Therefore, O Lord, as these business men pass to the problems of our troubled and unsettled day, may the Spirit of Good-will pilot them safely and intelligently into the Harbor of Brotherly Love, where a proper understanding of international relationships will be a watch tower for a universal feeling of happiness. Amen.

**PRESIDENT ABEL:** Thank you very much, Reverend Thatcher, for your kind words of guidance. I trust that you may find time to be with us during our convention.

We will now be presented with a report of the Secretary-Treasurer, Mr. McCarl.

**SECRETARY-TREASURER McCARL:** Members of the Association:

The Secretary is pleased to report that all matters which have been brought to his attention and requiring action on his part during the year have been disposed of, with the exception of those pertaining to the Convention. Those pertaining to the Convention, including the auditing and payment of all items of expense, printing of proceedings, correspondence resulting from action taken at the business sessions, etc., will be properly disposed of so that the records may be passed off to the succeeding Secretary in good order. All items of revenue and expense involved in the holding of this Convention have been properly budgeted, and it will be our objective to pass on to the succeeding Treasurer an amount at least equal to that received from the preceding Treasurer. All dues of Corporate, Associate and Contributing members have been paid.

At this time the Association's records show the Corporate and Associate membership to be as follows:

- Class "A" — \$150.00 per year**
  - Los Angeles, California
  - Oakland, California
  - Portland, Oregon
  - San Francisco, California
  - Seattle, Washington
  - Vancouver, British Columbia
- Class "B" — \$50.00 per year**
  - Long Beach, California
  - San Diego, California
  - Tacoma, Washington
- Class "C" — \$25.00 per year**
  - Astoria, Oregon
  - Bellingham, Washington
  - Everett, Washington
  - Grays Harbor, Washington
  - Longview, Washington

New Westminster, British Columbia  
North Fraser, British Columbia  
Olympia, Washington  
Port Angeles, Washington  
Stockton, California  
The Dalles, Oregon  
Vancouver, Washington  
Willapa Harbor, Washington

**Associate Members — \$10.00**

Don G. Bates, Portland, Oregon  
Mark Colby, Seattle, Washington  
Walter Murphy, Redwood City, California  
Geo. F. Nicholson, Los Angeles, California  
Portland Chamber of Commerce, Portland, Oregon  
J. R. West, Seattle, Washington

As the Contributing membership changes from year to year, this class of membership is not included in the above.

As items of expense in connection with the Convention cannot be determined at this time, a complete statement of Receipts and Disbursements will be made following the Convention and incorporated in the proceedings.

In closing, I wish to thank the membership for having conferred on me the honor of electing me to the office of Secretary-Treasurer during the present year, and to state that I have greatly enjoyed the work, even though same has required the turning of considerable midnight oil during the past few weeks.

I also wish to take this opportunity to thank the former Secretary-Treasurer, Philip H. Carroll, for having passed on to me in fine condition the records for the previous year. I shall endeavor to pass on to the succeeding Secretary the records for this year in equally good condition.

Respectfully submitted,

M. D. McCARL, Secretary-Treasurer.

(Applause.)

**PRESIDENT ABEL:** What is your pleasure with regard to this report, gentlemen?

**MR. K. J. BURNS (Vancouver, B. C.):** I move that this report be adopted.

**COLONEL B. C. ALLIN (Stockton):** I second the motion.

**PRESIDENT ABEL:** The motion has been duly made and seconded. All in favor signify by saying "aye"; contrary minded, "no." The report is adopted.

The next on our program is the report of the President. I will take pleasure in reading the report:

*Members of the Association:*

I have appreciated very much the opportunity which you have afforded me to serve as President of the Association during the past year.

The twelve months since the Portland Convention, which we all so fully enjoyed, have passed only too rapidly, and during their passing many important matters, some affecting the Northern ports, some of interest to the Southern ports and others applicable to all Pacific Coast ports and ports of the nation, have been the subject of hearings before the Congress, the Maritime Commission and other regulatory bodies. Then, too, each port, no doubt, has had its local problems requiring solution. In all it has been a very busy year. I trust it has been a profitable one.

I believe it is safe to say that none of the ports of the Pacific Coast have enjoyed immunity from the commonest and most acute of our ills, namely, labor troubles. In this respect, dark clouds are now appearing along the coast and the signals for a severe storm are being hoisted. Let us trust that the storm will not materialize, and that our ships will sail uninterruptedly to and from our ports with the passing of September 30th.

Throughout the year your Association has assisted in such manner as was possible with its limited resources in opposing legislation adverse to the interests of the ports. Effective opposition was made against the repeal of the Fourth Section clause of the Interstate Com-

merce Act, which was again being urged for passage during the last session of Congress.

In respect to the discontinuance of the issuance of statistical reports covering waterborne commerce by the Maritime Commission, after a canvass of the Association members, protest was made to the Commission against the discontinuance of these reports. Other legislation was called to the member ports' attention, including H. R. 5130, amending Intercoastal Shipping Act, hearing on which was indefinitely postponed. Inasmuch as differences in opinion among the Association members existed as to opposition to certain legislation, no action was taken by the Association.

On August 14, 1914, the Panama Canal was opened to navigation, and this year we are celebrating the twenty-fifth anniversary of the joining of the Atlantic and Pacific Oceans. Since its opening, more than 100,000 vessels have passed through this interocean waterway. It is well to pause and reflect on how the canal has affected the commerce of our ports, and how it has changed our port business from the days when the ships sailed around the Horn, as many of us now here well remember. It is my distinct recollection that there were fewer bridges in our harbors to impede the operation of our ports in the good old days.

A number of very interesting papers and discussions have been prepared, and I desire, on behalf of the Association, to thank those who have given freely of their time to place before us the valuable information they contain. I trust there will be a full discussion on the floor of the Convention of the various papers, as it is in this way we obtain the greatest good from our sessions.

We have tried to prepare a pleasant program of entertainment, and I hope you all will enjoy your stay in Oakland to the fullest extent.

Respectfully submitted,

A. H. ABEL, President.

(Applause.)

**PRESIDENT ABEL:** That is the report, gentlemen, what is your pleasure?

**MR. K. J. BURNS (Vancouver, B. C.):** I move the acceptance of the report to be placed on file.

**CAPTAIN J. W. BRENNAN (San Diego):** I second the motion.

**PRESIDENT ABEL:** The acceptance of this report has been moved and seconded. All those in favor signify by saying "aye"; contrary minded, "no." The motion is carried.

Mr. Secretary, have you any communications at this time?

**SECRETARY McCARL:** We have a few communications to be read at this time.

The first one is from United States Senator Hiram Johnson of California at Washington, D. C.:

A. H. Abel, President, Pacific Coast Association of Port Authorities, Port of Groves.

I am deeply grateful for your telegraphic invitation received this morning. A prior imperative engagement precludes me from being with you at the luncheon. It is with the utmost reluctance that I am compelled to send my regrets. My best wishes for a thoroughly enjoyable and most auspicious occasion.

(Signed) HIRAM W. JOHNSON.

Here is another telegram from W. D. S. Rorison:

A. H. Abel, Hotel Oakland:

Impossible to get to the Convention. I know it will be a huge success. Hope to see you at our International Harbour and Port Day of the Transportation and Customs Bureau Vancouver Board of Trade next summer.

(Signed) W. D. S. RORISON.

Another communication:

A. B. Abel, Esq., President, Pacific Coast Association of Port Authorities, Mount Oakland:

The Transportation Bureau Vancouver Board of Trade extends greetings and sincerest wishes for most successful sessions on record in this momentous period. We appreciate your interest in our International Port Day towards goodwill also increased trade and tourist traffic between ports Seattle Bellingham New Westminster Everett Fraser Tacoma Stockton and Los Angeles represented Pacific Coast ports this year. We invite every port to Vancouver for this event next May.

(Signed) W. A. RUNDLE, Bureau Manager.

Next we have a letter to our President from Mr. C. A. Cotterell, Assistant General Manager of the Canadian Pacific Railway Company:

Dear Mr. Abel:

Further your letter of July 11th, and mine of the 21st ultimo, relative to your Twenty-sixth Annual Convention.

I have now received confirmation of the itinerary covering the annual visit of your Chairman and President and Board of Directors to British Columbia, and, just as I was afraid of, the dates will not permit me to attend the Convention and be back in time to meet the party, which, I am quite sure you will appreciate, I really must do.

An luncheon today I asked Kenay Burns to express to you all my regrets at not being able to be with you, but I should like to convey to all present my kindest regards and very best wishes for a most successful and enjoyable Convention.

Yours sincerely,

C. A. COTTERELL.

Here is a letter from Mr. R. O. Campney, Chairman, National Harbours Board, Ottawa, Canada:

Dear Mr. Abel:

On behalf of the National Harbours Board I wish to take this opportunity to send along our best wishes to yourself and the members of the Pacific Coast Association of Port Authorities, and to express the hope that the Convention opening in Oakland on August 23rd may be a great success in every way. I greatly regret that other engagements prevent any members of the National Harbours Board being present at the Convention.

With kind personal regards,

Yours sincerely

R. O. CAMPNEY, Chairman.

The last communication this morning is from Mr. C. D. Howe, National Harbours Board, Vancouver, B.C.:

My Dear Mr. Abel:

I regret very much that I will not be able to be present at your Annual Convention to be held in your city from the 23rd to the 26th of August, 1935.

However, at this time, I wish every success for your Convention, and a continuation of the good work you have carried on in the past.

Yours most sincerely,

C. D. HOWE, Minister of Transport.

(Applaud.)

**PRESIDENT ABEL:** Thank you, Mr. Secretary.

At the Portland Convention last year there was appointed a Sergeant-at-Arms, with an assistant, to function during the Convention. I think it is very fitting that we continue the custom, and I would like to appoint Colonel Rickford, from Seattle, as a Sergeant-at-Arms, and, as assistant, Mr. B. George Hansrud of Vancouver. They are both pretty able-bodied fellows, and I think they will do a good job. I am going to ask these two men, if they are both in the room, to come forward.

Colonel Rickford isn't in the room? Well, then, Mr. Hansrud, you come up. I haven't any handcuffs or balls

and chains to give you to help you to keep order, but have here a very nice book in which all the members want to register "kicks" are privileged to do so. Anybody who has any "kicks" see the Sergeant-at-Arms register the "kicks" with him. All complaints will reach our attention. Now, George, will you do your duty? and the Colonel are to pack this book around with for the convenience of the delegates. Thank you. (pause.)

The Secretary has found two more communications that should be read at this time.

**SECRETARY McCARL:** We have one here from James B. Thompson, Vancouver, B. C.:

Dear Mr. Abel:

In a few days the 26th Annual Convention of this very valuable Association will be held under your Chairmanship. Might I crutch upon your good nature to convey to all those assembled very best wishes for a very successful convention. Personally I would like very much to be with you, but the changes in business life make it impossible for me to travel to Oakland at the present time. I certainly would enjoy meeting the many old companions of many days whom I had the privilege of knowing very intimately as administrator of the Port of Vancouver.

Again wishing you the very best,

Yours sincerely,

JAMES B. THOMPSON.

Here is another from my good friend, Phil Carroll.

Dear Mr. Abel:

Thanks for the copy of your letter of July 14, and I also bring same to the attention of Mr. Merrill, that he might take this up. He assures me he will give this his early attention.

In connection with the papers before the Convention, it has occurred to me that it might be a good suggestion to set up a special committee to receive suggestions from the membership on the various subjects for papers at the next convention. This committee, having definite recommendations and suggestions as to subjects for the papers will be able to prepare topics of more or less interest to the members and submit them to the incoming Secretary. If this appears to you meritorious, you might keep it in mind and bring it up at the next convention.

**PRESIDENT ABEL:** You have heard the reading of the communications, and Phil Carroll's suggestion. It is the pleasure of the Convention on this matter? Do you wish it referred to a committee? Have we any thought on that matter, gentlemen?

**MR. PHILIP H. CARROLL (Portland):** I know last year there was considerable difficulty in collecting topics and I thought if we take the occasion at the Convention with all present and let them submit ideas to a committee, it would give the incoming officers something to work on, and they would not have to wrack their brains for topics. If anybody wants to oppose me I would like to hear from him.

**PRESIDENT ABEL:** I think the suggestion is a good one. I don't want to see anybody's brains wracked there a motion from the floor?

**MR. CARROLL:** I move that such a committee be appointed.

MR. K. J. BURNS (Vancouver): I second the motion.

PRESIDENT ABEL: It has been moved and seconded that a committee be appointed to receive suggested topics for papers to be read at the next convention and such topics to be presented to the Secretary. All those in favor signify by saying "aye"; contrary minded, "no." The motion is carried. I will announce the committee at a later time.

MR. B. GEORGE HANSULD (Vancouver, B. C.): I notice there are only twenty sheets in this "kick" book. I presume you will be able to supply some more. (Laughter.)

PRESIDENT ABEL: If you will notice, George, that is a loose-leaved book, and we can supply you with just as many pages as you need. We can take it, George. (Laughter.)

The next item on our calendar is the appointment of committees. We have a most important committee to be appointed. It has to do with the well-being of the Convention members. This committee is the Committee on Marine Room Regulations. It is my pleasure to appoint Nels Weborg of Everett, Washington, as chairman of that committee. (Applause.) With him are to be associated Jack Cox of the *Traffic World* and Nick Carter of Vancouver. Then, we also have Mark Colby from Seattle, who will cooperate with this committee. Now, Nels, just stand up so that those who don't know you will be able to see you. I doubt that there are very many here who do not know you. You have a very important function, and you must carry on in the proper manner; do your duty at all times and there will be no fault to find.

MR. NELS WEBORG (Everett): I have just had word from my co-committee man, Mr. Cox, that we will have order, and lots of it.

PRESIDENT ABEL: For the Committee on Credentials: I have the pleasure to appoint H. W. Hunter, Bellingham; J. A. Earley, President of the Port of Seattle; and A. H. Averill, Portland, our Past President.

We have, next the Committee on Resolutions: Smith Wilson, Port of Seattle; K. J. Burns, Vancouver, B. C.; Philip Carroll, Portland; Mark Gates, San Francisco; and G. E. Arbogast, Los Angeles.

On the Committee on Honorary Members: Hans Mumm, Everett, Washington; K. K. Read, New Westminster, B. C.; Frank Gowdy, Longview, Washington; Eugene Overton, Los Angeles; and Don Marshall, Port Manager of Long Beach.

On the Committee on By-Laws and Constitution: Henry Davies, Port Angeles, Washington; T. P. MacComber, Vancouver, Washington; and George Moore, Los Angeles.

Committee on Nominations: Joe Brennan, San Diego; A. D. Merrill, Portland; W. J. Murphy, Grays Harbor, Washington; George Osgood, Tacoma; and Colonel B. C. Allin, Stockton.

We have a Committee on Regulation to be appointed, and that will be announced at a later time.

We are too speedy, apparently, because we are ahead of our schedule. I was going to ask what is your pleasure? Is Mr. Marias present?

MR. A. D. MERRILL (Portland): No, he is over in the city this morning.

PRESIDENT ABEL: Where is that? (Laughter.)

I would like to have you know that "the city" is Oakland, and there is a city across the bridge, but that is San Francisco. (Laughter.)

Inasmuch as we are ahead of our program, the thought is that we kind of take it a little easy this morning, get acquainted, and then we will start in with our papers right after luncheon. However, might I mention that we are having lunch with the Lions Club this noon?

An announcement was made that the members having tickets at the Head Table were to meet in the Cameo Room at one o'clock and all march in together.

Another announcement was made that the Marine Room would be open from 11:30 to 12:00 noon.

Are there any matters from the floor that should be discussed at this time?

MR. HORACE P. CHAPMAN (Seattle): Those of us from the North are very proud of the Chairman of the Marine Room Committee, but we have, and it has been mentioned here, one among us that we are even more proud of, and that is Henry Davies. Henry has taken a step, and I would like to see Henry take a step to the front. He is a newlywed, and believe me, Henry, you should come up to the front here and take a bow. (Applause.)

MR. HENRY DAVIES (Port Angeles): I might say this: That I have been coming to these conventions for a good many years, and every time they come they always give me a funny look, and I could tell they were saying to themselves, "I wonder if he is still single." So this time I thought I would fool them. (Applause.)

PRESIDENT ABEL: I think you are wise, because now we can get you away from the Bachelors' Table you always patronized in the past.

MR. GEORGE OSGOOD (Tacoma): Arthur Eldridge of Los Angeles is also a newlywed. He ought to come up and receive our congratulations. (Applause.)

MR. ARTHUR ELDRIDGE: I agreed when I got married that my wife would do all the talking for me. (Applause.)

**PRESIDENT ABEL:** I don't think I have been to a convention for a long time where there have been any newbies. We are quite honored.

I see Nick Carter from Vancouver, B. C. Have you a message for us?

**MR. EDWARD CARTER:** I am very glad to be here, but I didn't expect to have to say so. That is taken for granted. I am happy to be here and to be called upon to say so. (Applause.)

**PRESIDENT ABEL:** Thank you, Nick, that was fine. Well, if there is nothing further at this time, a motion is in order to stand adjourned at the present time and to convene then at two o'clock this afternoon, when we will start our papers.

After a motion being duly made and seconded, the meeting was adjourned at 11:15 A. M.

**WEDNESDAY, AUGUST 23, 1939**

**2:00 P. M.**

The meeting was called to order by President Abel.

**PRESIDENT ABEL:** Mr. Secretary, there are some more communications. Will you kindly read those communications?

**SECRETARY McCARL:** We have some invitations here for the meeting place of the next annual convention.

There is one here from Los Angeles. It has a nice gold seal and some pretty ribbons on it.

**PACIFIC COAST ASSOCIATION OF PORT AUTHORITIES**  
Convention 1940

*Greetings:*

The citizens of Los Angeles are happy to join with your local members in extending a cordial invitation to your Association to meet in this city, and they pledge assurance of every cooperation in making your convention successful and pleasurable.

Your representative membership will find that Los Angeles is a city of variant attractions and one of America's most interesting cities. Natural beauty of Southern California, industrial progress, commercial enterprise, recreational supremacy are matched by cultural advantages.

With the movie capital of the world within its borders, entertainment and amusement reach their zenith. Convention guests may choose between days and evenings of thrills and excitement, or restful manana days and peaceful moonlit evenings. Indeed, you will enjoy the allurements of Los Angeles.

You will find the hotel and convention accommodations unsurpassed. Hundreds of thousands of convention guests bear witness to the city's hotel hospitality and the cordiality of our business institutions.

May we again renew our invitation to your important organization to come to Los Angeles? It will be our pleasure to serve you.

Very sincerely,

(Signed)

FLETCHER BOWEN, Mayor  
City of Los Angeles

ROGER W. JESSUP, Chairman  
Board of Supervisors  
Los Angeles County

KATHERINE C. MOORE, Chairman  
Women's Convention Committee  
(Seal)

JAMES L. BRIE, President  
Los Angeles Chamber of Commerce  
ROBERT L. McCURT, President  
Los Angeles Jr. Chamber of Com.  
GRACE S. STORMER, President  
Women's Community  
Service Auxiliary

We also have one here from Long Beach. It is an official invitation from the city of Long Beach, California, County of Los Angeles:

No. 292

OFFICIAL INVITATION  
from the

CITY OF LONG BEACH, CALIFORNIA  
COUNTY OF LOS ANGELES

To Pacific Coast Association of Port Authorities

The City Manager and the members of the City Council join me in extending this official and cordial invitation to hold your convention in this city. You may expect the complete cooperation of every official. Nothing will be left undone, no expense will be spared to make your visit to "Nature's Convention Metropolis" a never-to-be-forgotten occasion. Long Beach has every facility to make this promise. Its fame as a convention city is known far and wide, and the hospitality of its citizens spells W-E-L-C-O-M-E in capital letters.

In witness whereof, I affix hereunto the seal of the City of Long Beach, California, and shall await with pleasure the opportunity of greeting you personally in 1940.

(Signed) FRANCIS H. GENTRY, Mayor  
this 16th day of August, 1939  
(Seal)

There is also a communication from the Long Beach Chamber of Commerce:

LONG BEACH CHAMBER OF COMMERCE  
LONG BEACH, CALIFORNIA

August 16, 1939

Pacific Coast Association of Port Authorities  
In Convention Assembled

GENTLEMEN:

The Long Beach Chamber of Commerce joins the City Administration, the Long Beach Chamber of Commerce Convention Department, the various business, civic and fraternal institutions, and the citizenry at large in inviting your organization to hold its 1940 convention in this city.

Long Beach is proud of its reputation as an ideal convention city and provides its visitors a perfect climate, silver strand, ocean, still-water bathing, yachting, Walk of a Thousand Lights, space Convention Hall, famous Municipal Band, and scores of other world-wide attractions and special entertainment features which, coupled with its unsurpassed natural facilities, offer an unusual appeal.

We sincerely hope that this invitation will receive your very careful consideration, and if your selection is favorable to Long Beach, we pledge you the unlimited facilities of this organization in making its 1940 convention the finest and largest in the history of your organization.

Long Beach's entire population of approximately 180,000 will consider it a privilege and a pleasure to act as your host in 1940. We join the Chamber of Commerce in sending its warmest greetings.

Very truly yours,

LONG BEACH CHAMBER OF COMMERCE  
(Signed) By G. A. HART, President

There is another invitation here from the Hollywood Convention and Tourist Bureau.

HOLLYWOOD CONVENTION AND TOURIST BUREAU  
Division of the Hollywood Chamber of Commerce

6520 SUNSET BOULEVARD  
HOLLYWOOD, CALIFORNIA  
AUGUST 14, 1939

Mr. A. H. Abel, President, Pacific Coast Association of Port Authorities, care Port of Oakland, Grove Street Pier, Oakland, California  
Dear Mr. Abel:

HOLLYWOOD INVITES YOU to participate in Hollywood convention hospitality.

Back of this invitation, we wish to respectfully call your attention to the vast entertainment possibilities Hollywood has to offer. Hollywood's Radio City (Columbia Broadcasting System) and Nautilus

Broadcasting Company), where nationwide network programs originate; Griffith Planetarium, a study of the stars; Max Factor's motion picture make-up studios; Hollywood Bowl, with its Symphonies under the Stars; Chinese Theatre, famous for its footprints of featured motion picture players; Fanchonette Studios of Fanchon and Marco, where dance tableaux are in preparation for the stages of the world; Japanese Gardens and Homes, an architectural and horticultural replica of Japan, faithfully reproduced in a setting of seven and one-half acres high above Hollywood Boulevard; world-famous color-glass depiction of the Lord's "Last Supper" in Forest Lawn Memorial Park; giant motion picture studios producing entertainment for the world, and other attractions too numerous to mention.

Hollywood has twenty-four hotels with convention rates ranging from \$2.00 per day for single room accommodations to \$7.00 per day for double occupancy. We will be pleased to make arrangements so that your convention activities may be carried out in one of our leading hotels, or if you prefer, the facilities of our excellent and conveniently located auditoria are available at no cost to the organization. In addition to this, the Bureau will assist in building attendance, and will furnish badges, program outlining convention activities and registration assistance. We will also co-operate with your co-ordinator and various committees in all phases of your convention program, including entertainment, publicity and other activities which will help to stage your most successful convention.

Hollywood's major civic organizations join us in extending this invitation to you and members of the Pacific Coast Association of Port Authorities, with a sincere desire to welcome you to Hollywood in 1940.

With best wishes,

Sincerely yours,

(Signed)

— Dan G. Addison, Manager.

**PRESIDENT ABEL:** You have heard the invitations. They will be referred to the proper committee for consideration.

We are happy to have with us this afternoon a gentleman who I have known for many years and who has just recently come into the "Duties and Responsibilities of a Port." Mr. Marias, President, Board of State Harbor Commissions, will present a paper on this subject. Mr. Marias. (Applause.)

**MR. MARIAS (San Francisco):** Thank you very much, Arthur. He called me "Mr." but I call him "Arthur." (Laughter.)

**Mr. President and Members of the Pacific Coast Association of Port Authorities:**

Although I have been only a short time in my present capacity, I have been identified for a long term with ports, for I have been in and out of the work for many years. It is good to see some of my old friends, and I like to meet so many new ones. There's one old friend here I'd like to mention, because I see Mr. Earle here from Los Angeles. I would like to say that he and I were on the Board of Harbor Commissioners in Manila, and while we were on the Board of Harbor Commissioners in the Philippine Islands we had the pleasure of bringing the efficiency of that port up from the lowest in the Orient to the highest. So Los Angeles grabbed Earle and thought that they were going to have him bring Los Angeles to the highest rating on the Pacific Coast, and then Governor Olson heard about me. (Laughter.) So I appreciate very much, gentlemen, the privilege granted me in delivering this first paper.

## Duties and Responsibilities of Ports

By J. F. MARIAS, President.

State Board of Harbor Commissioners,  
San Francisco, California

The very first fact to accept in discussing the duties and responsibilities of ports is that port functions are public services—no more and no less. This principle applies whether the operation is by the state, city, port district or by private operators. Generally speaking, port facilities are the connecting links of a stationary character between two mobile systems. Being a link, it is essential that its functions be highly efficient and economical. It is the right of the public to demand, and therefore receive, the highest type of services.

It is the duty of every port to meet the demands of the commerce naturally tributary to it. It is not a question of whether or not the handling of that commerce is a paying operation to the port itself so long as it means the development of commerce for the tributary area. This does not mean, of course, that the port facilities are to be subject to every and any kind of economic plan. It means that the port has no choice in the matter when business is sent through it that will mean much to the hinterland. There is, therefore, a vast difference between ports. There are ports that give a full and complete service, and those that give but a partial service. There must be a definite division between ports in this respect. In the first class, the major ports, complete facilities must be provided. In the second class, the minor ports, provide only that which their limited space and financial ability permits. Usually the business that the minor ports do is either a part of the major ports' former business or specialties in bulk movements, such as lumber, grains and the like.

Since all ports should be developed solely for the purpose of rendering a public service, there must be no competition. The rendering of a public service in port operation may be compared to the providing of water to a city. There must be no competition. It is a public necessity. As the servicing of the water system relates to a city, the port service relates to the tributary district. Any competition in a public service only increases the costs of handling the commodities, and that is essentially wrong.

We all know that there is a definite movement towards Federal control of all ports. Why? Well, my reply would be that this move is considered necessary because there has been too great a departure from the true intent of port duties, or in other words, too much competition where no competition should prevail. Whether we agree with Federal control or not, we are certainly being forced into considering it. We should then ask ourselves: if we have made such economic errors as are responsible for this movement.

I am personally convinced that the weakest part of our national economy is our distribution system. True enough, we have the Interstate Commerce Commission and the United States Maritime Commission, and the various intrastate commissions, to regulate our distribution, but even with all of these regulatory commissions, we are far from perfect, and there is still much to be desired in distributing our products domestically and our surpluses internationally. We still find it too costly to distribute all of our production to our own consumers at the prices that our consumers can afford to pay and at which our producers can afford to sell. There are too many costs, or charges, by the units in between the producer and the consumer. Among these units we, the port authorities, are one. The economies that apply to us will also apply to the other units in between the producer and the consumer. Since we—state, city or district authorities—operate without profit, we might, with pride, put ourselves on the back and say that our unit is not one to be criticized. We may point our fingers of righteousness against all of the other units, but if we do we are not serving as we must.

As a part of that great distribution system, we must, individually and collectively, do something to improve our services, and one of the best places to start is to reduce so-called competition, especially if it comes under the heading of the unnecessary duplication of services and facilities. In recent years the various cities, by their Chambers of Commerce and other civic organizations, have striven to show some kind of supremacy over other cities by showing the superiority of their ports, printing voluminous statistics, figures of tonnage, etc. About the only good these statements have done is to make the people port-minded. Were it not for such publications, I fear that too many people would neglect port considerations entirely. I claim that ports are too important to be neglected. As to the published figures, they have but little meaning. I do not suppose that there are ten persons to a thousand that know the difference between a cargo ton and a

an registered man. Still, I have seen some mighty weird statements based upon one or the other, and frequently on both, without care as to the difference. In order to explain what I mean, I might cite an example and name two ports so often compared. I refer to Los Angeles and San Francisco. So far as San Francisco is concerned, we have no quarrel with Los Angeles at all, and I believe the same is true about Los Angeles. Strangely enough, we who handle the affairs of the ports are the very best of friends. There is none among us who does not cooperate with the others, such as we are doing right at this time. If there is anything that any other port in the United States wants from us in San Francisco they can have it cheerfully. And we receive exactly the same kind of treatment from them. Then, who is it that gets all excited about the relative merits of one or another port? Far be it from me to criticize any organization, but most certainly the rivalry, so-called, exists only in the fertile brains of people less conscientious of the cooperative spirit than those of us directly connected with port work.

If any of us were placed in the position of finding a natural outlet for the handling of the farm products, let us say, of a great producing area, we would most naturally explore all natural bays and harbors as close to our production as possible. Once found, we would develop the facilities as demanded by the commodities we were charged with shipping. The development of the harbor would depend entirely upon the needs of the producing area, and that producing area would demand the most efficient facilities to be operated in the most economical manner. Well, gentlemen, that is all there is to it. That is exactly the way we should operate today. We must do nothing more than furnish the efficient and economical means for the handling of the production of farm and factory tributary to us.

Getting back to the comparisons between Los Angeles and San Francisco, perhaps I can illustrate my meaning. Let us take San Francisco first, because it is the oldest port. It was discovered in 1775, which, by the way, was quite a year for young America. Spain had a pretty good grip on this part of the world. She realized that its development would mean much to her. She already knew of its productivity and had mighty reasonable ideas about the potentialities. This country was producing grain and raising cattle. Russia, England and France had their eyes on this attractive district, but in 1841 the first American ship, the sloop *San Luis*, sailed into San Francisco Bay and the *Portsmouth* belched her 21 guns of salute as San Francisco was transformed into an American city from a Mexican pueblo. From that time on this Bay became the most important point on the West Coast of North America. Because of the rich lands of the two great valleys, the Sacramento and the San Joaquin, the port grew and grew. Because of these developments, the transcontinental railroad was developed. In every case the developments were made to meet the demands of the commerce. And they should be continuously made, for the same reasons and no others.

Los Angeles was another Mexican pueblo. There was nothing much developed around there. However, as San Francisco became important, explorers became more interested in other parts of California, and soon Los Angeles was on her way to becoming one of the great American cities. It was, however, many years before people realized that nature had also endowed her with wealth beyond imagination—"Black Gold"—oil was discovered. With this discovery, plus a climate of great attraction, Los Angeles became the fastest growing district the world has ever known. With her growth came the demands for a harbor, a most natural demand. But this district had no natural harbor such as San Francisco Bay, so with the energy that is hers, she built a grand one, which is so her great credit. As the ships of long ago came into San Francisco Bay for the products of her hinterland, so did ships go into Los Angeles for her products. And naturally, as the ships came into Los Angeles Harbor for her products, they took into harbor the things that Los Angeles consumed. That is the most natural kind of development. What then is there that Los Angeles is taking away from San Francisco, as some would have us believe? Los Angeles Harbor serves its needs and San Francisco Harbor serves its needs. Los Angeles and the hinterland will demand that its harbor provide at all times the facilities that are required for her economic development, no more and no less, and San Francisco will do the same. It is to the interest of both that they expand and become more efficient because they serve all the hinterland that is tributary to them.

I hope that I have, by this comparison, emphasized the all-important points, namely, that every port must provide the facilities that the commerce demands, and secondly that the handling of the com-

modities across the docks must be the highest in efficiency and the lowest in costs, and thirdly that there is no such thing as competition.

When we speak of providing facilities, we must have available the finances to meet the demands, and this is something that must eventually be worked out on a more equitable plane. I mean no criticism when I speak of the tax-levying authority of the port districts, whether they be city, county or state. The fact still remains that the port serves not the immediate environs of the city, nor the bay, nor the district, but the entire nation. This is the phase of the port responsibilities as they relate to intercoastal and foreign commerce. If America is to hold its own, and it will, as a maritime nation to regain the glory of its past, all major ports must be in the financial position to provide the facilities to keep abreast of the maritime development. Today we are entering a new era of ship building. Soon we shall have much larger ships than we now have. These ships will demand proper facilities. The major ports will have to provide them whether they want to or not, or whether they have the money for the added facilities or not. Where is the money coming from? The answer has to be that the people whom these ships and ports serve must provide it, and that means all the people of the country. Certainly there will not be enough revenue from the ships themselves to ever pay the costs of the new facilities. So what? The taxpayers will have to dig deep into their pockets, and I do not see that you can limit this "digging" to the relatively small number in the close proximity of the harbors themselves. At the beginning I said that the thought was running around that we might have Federal control of all ports. I am not advocating it at this time, but it is certainly something to think over.

I have said on many an occasion, and I repeat it here, that all the tolls on the docks and in the harbors must be at the very minimum. There is, as we all know, a movement well started in the Northwest to associate all terminals so that there will be some kind of general regulations for the common good. I am somewhat inclined to believe that such organizations are a good thing, but they have their weaknesses. Frankly, if the services at the ports are public services, not for profit, how can we agree on the regulation of charges if some of the facilities are privately owned and, therefore, must work on the profit basis. Do not misunderstand me. I am not opposed to business on the profit system. I am quite in favor of them, but I cannot see how the public service by the city or state and the private operators can come to any understanding because their bases are entirely different.

Also on this subject, I often wonder if it is quite fair to demand such rates as will give a profit on facilities that are recognized as economic errors. My contention is that if one port or another has made a bad investment, it is not entitled to the rate support of the other ports in order to make it pay. And, again, it is not right that the city or state port develop facilities and absorb losses year after year and then permit a privately owned facility to take the business away from it after the business has grown to such proportions.

To sum up, then, the duties and responsibilities of ports. I would say that since we render a public service, that service must be all that the designation implies.

We recognize that, above everything else, we owe to all the people our most sincere efforts toward efficient and economic port management.

Since we must meet the demands of commerce by providing the proper facilities, we are not to be considered competitive.

Since we operate without profit, it is wrong to accept undue risk in building facilities, especially if there are facilities available within the same port area. Such duplication serves only to divide the business and, therefore, increase the handling costs and probably demand a higher taxpayer contribution.

To be an important link in our great national and international distributing system, assuming leadership when necessary—the object being to assist the producer in delivering his products to the consumer at the lowest possible cost.

Never to be the obstacle between the producer and the consumer by inefficiency or excessive charges.

We who are in between the producer and the consumer, and I mean all of us, including the rail carrier, truck, stevedores, and all others, as well as ourselves as terminal managers, have no right to exact from the product more than our share—we have no right to place ourselves in the position of determining whether or not the producer can sell to the consumer.

It is a definite part of our duty to make for such economy as will permit the producer to distribute more of his production. (Applause)

PRESIDENT ABEL: Thank you very much, Mr. Marias, for that fine paper. There is a lot of good information and food for thought in your remarks.

We have a discussion of Mr. Marias' paper by Captain Brennan, Director of the Port of San Diego. Captain Brennan. (Applause.)

CAPTAIN BRENNAN: Mr. President and gentlemen:

I was asked to prepare a paper of discussion on Mr. Marias' paper. However, I didn't receive a copy of his paper until the day before I left San Diego, so I prepared one of my own. Then, after I received Joe's paper, I made a few short notes on it. I have both of these papers. Which one shall I read?

PRESIDENT ABEL: Read both of them if you have time.

CAPTAIN BRENNAN: All right.

#### Duties and Responsibilities of Ports

Discussion by J. W. BRENNAN, Port Director  
Port of San Diego, California

Today being the 15th of August, and the Convention scheduled for the 23rd, and having not as yet received a copy of Mr. Marias' paper, I will not be able to discuss the points set up by him in his paper. I am, therefore, going to confine my brief remarks to the situation as I see it.

The suggestion of Mr. Marias' paper, "Duties and Responsibilities of Ports," I think is a little misleading. I believe it would sound better if it were "Duties and Responsibilities of Port Authorities." In my remarks I am treating the subject on a basis of "Value of a Port and Duties and Responsibilities of Port Authorities."

There is no time in our national life when the values of ports and the duties and responsibilities of port authorities is not a prime factor in our transportation system. International relations are constantly developing, and a single nation can no longer exist without foreign commerce. American markets circle the globe, and the United States is a lucrative market for all nations. Our foreign commerce, in the main, depends upon our domestic ports of interchange; and as I said before, the value of ports and the duties and responsibilities of port officials cannot be underestimated.

Let me cite briefly a few figures to emphasize the rapid progress that we have made in the handling of foreign commerce. The annual report of the Chief of Engineers, U. S. Army, shows during the calendar year 1921 our total import and export commerce amounted to 92,644,606 short tons. This traffic increased for the calendar year 1937 to 114,412,926 short tons. In other words, our total import and export commerce for all ports in the United States increased 23 per cent from 1921 to 1937.

Now what happened on the Pacific Coast? The United States Maritime Commission, Division of Research, Annual Report No. 275, shows that United States Pacific ports located in Oregon, Washington and California handled during the calendar year 1921 only 6,475,845 short tons of import and export commerce. However, in 1937 these ports handled 17,093,014 short tons of import and export commerce, or an increase over 1921 of 164 per cent. Let me emphasize this point: During the sixteen-year period our total import and export commerce for all ports in the United States increased 23 per cent, while the same type of commerce handled by Pacific ports increased 164 per cent. Thus, to my mind, is impressive, and indicates the value of ports and how important are the duties and responsibilities of port officials, particularly on the Pacific Coast.

In the domestic field, Coastwise, Intercoastal and Inland Waterway service, we believe, offers the lowest economic transportation cost. Land transportation has in a measure been streamlined. Water transportation must meet this competition if they hope to continue to carry their share of tonnage. Here again the value of ports and the duties and responsibilities of port authorities are an important factor. Port

facilities will probably never attain perfection; there will always be room for improvement. Conditions are rapidly changing, and the cost of handling cargo at ports has increased. The necessity for labor-saving machinery is ever before us. The value of ports was never greater, and it is our responsibility and duty, as port authorities, to keep pace with modern progress and maintain our port establishments at the highest degree of efficiency.

Port functions are both physical and economical. Man, with all his genius, has not as yet invented a practical vehicle sufficiently amphibious to eliminate the necessity of transferring cargo at ship side between land and water carriers, and until there is no longer a necessity for transferring such cargo at ship side, ports and port facilities will continue to play an important part in the handling of state, interstate and foreign commerce. From an economical standpoint, ports should be self-sustaining. Thus, I feel, is a cardinal principle that should be attained if they are to justify their existence. To reach a self-sustaining port level, three vital factors are important:

- First: Uniform interpretation and application of regulations and charges for comparable services, especially for competitive port facilities.
- Second: Compensatory rates for services rendered sufficient to meet operation, maintenance and fixed charges when given normal tonnage commensurate with capacities of port facilities.
- Third: The source of Port Revenue should be distributed in accordance with services rendered.

I cite these three points because the port plant is a vital adjunct to water commerce, and the normal revenues should be sufficient to justify the capital investment, otherwise the value of a port to a community lies in savings in freight rates due to the existence of the port.

I have mentioned briefly the value of ports and the importance of port management with relation to domestic and foreign water commerce. The same situation is even more pronounced with respect to the local community and territory that a port serves. It is conceded that the density of population in the United States lies in the territories served by or adjacent to water commerce. Water commerce and ports are synonymous, and the local community and the territory served by a port is entitled to enjoy the commercial heritage created by a port facility.

The reason for this is readily found in the economic necessity for low-cost transportation. Congressman Calmer, in debating S. 2009 in the House of Representatives on July 21, hit the nail square on the head when he said: "I point out to an intelligent Congress, that the very fact we have these waterways to furnish this cheap transportation, gives you a leverage—a club, if you please—to hold over the heads of other forms of transportation to keep down the transportation charges." I think we all concur in this statement with respect to state, interstate and foreign freight rate levels, and that it is the duty and responsibility of port officials to maintain and perpetuate this low rate-level insurance by operating our facilities at a high standard of efficiency.

In principle, it affords an economic guarantee in the same sense as does the Sherman Act. It maintains and guards the fundamentals of competition. Were it not for our ports and water commerce, local communities and territories served by ports could not enjoy the low-cost transportation which now prevails. This low-cost water transportation is an economic necessity, and is the greatest single factor in our domestic commerce that curbs rate inflation. Water carriers have opened markets for producers and distributors of commercial products that would not otherwise be available. Ports and water carriers offer producers a low-cost transportation and many types of commodities which could not stand the higher cost rail or truck tariffs, and permit economical competition. Every port has its local industries, many of them large ones, that are located at or adjacent to shipside because of the economic low-cost transportation factor afforded by water commerce, and the life of many of these industries depends upon such transportation.

You are all familiar with the famous Pacific Coast Fourth Section application decided by the Interstate Commerce Commission on December 15, 1932, when the railroads sought Fourth Section relief in Pacific Coast port-to-port rates because of water competition. Would the railroads have shrunk their rates voluntarily if water competition were not in existence at that time? The answer is definitely NO. These depressed rail rates still prevail, and they will continue so long as Pacific Coast ports and the threat of water competition exist.

Therefore, if Pacific Coast ports serve no other purpose than to insure the lowest compensatory economic rate levels, they are of inestimable value to their local community and the territory served. They do a great deal more than that, however; they represent a vitally important transportation facility that is necessary to our local, state and national economic existence.

The value of ports and port facilities is vitally important to our commercial life, and the responsibilities of the officers vested with authority to maintain and operate these facilities are manifold. This situation is particularly true on the Pacific Coast, with the prevailing trend of foreign commerce gradually expanding towards South America and Asia.

Summed up briefly, on our shoulders rests the responsibility of maintaining Pacific Coast port facilities at a high degree of efficiency. Larger and faster ships are on the way. Since the enactment of the Merchant Marine Act of 1936, the Maritime Commission have built, are building or are causing to be built, more than seventy modern ships. This is only the beginning of an ambitious program to rehabilitate our Merchant Marine. Our ports and their facilities must keep pace with this progress, and the responsibility to do so is a duty that we must not and cannot shunt. (Applause.)

This is the paper I prepared for the discussion of Joe's paper. It isn't very long:

I received Mr. Marias' paper the day before I left San Diego, and I think he has treated the subject very thoroughly. He has, however, brought out some points that I would like to discuss.

I agree with Mr. Marias that port facilities are a public utility and port functions are a public service, regardless of whether the port is under private, city, or state control. I also concur that port facilities are connecting links between land and water transportation, and that the public are entitled to receive the highest type of efficient and economic service.

Granted, it is necessary that a port meet the demand of its tributary commerce, it is likewise necessary that a port meet the demand of national and foreign commerce. It costs a lot of money to produce and maintain a port and its facilities, and I think the operating and maintenance costs should be borne by those that use the facilities, and should not be a burden upon a city, district, or state tax territory. By this I mean that city, county, or state taxpayers should not be expected to produce and maintain such facilities for the accommodation and use of land and water carriers and producers and consumers in other states and other countries who use the facilities. A port facility is not, therefore, comparable to a city water system. Port facilities are a necessary utility to land and water transportation and are comparable therewith. The cost of service rendered, therefore, should be compensatory, and should be spread equitably between all the users thereof.

I agree with Marias that all ports should be developed for the purpose of rendering public service. I disagree with him, however, on the point that there must be no competition. We are bound to have competition as long as competition in transportation service exists. Competition, however, should be restricted within the limits of "public convenience and necessity." Federal regulation of marine terminals and port facilities is, I predict, not far distant. Under the Interstate Commerce Commission and the Civil Aeronautics Authority, land and air carriers must show "public convenience and necessity." Similar provisions for water carriers are written into S. 2009, which is now pending.

If and when the Federal Government takes over the regulation of marine terminals and port facilities, the same provisions requiring proof of "public convenience and necessity" will probably be required. When that time comes the authors of port projects may find it necessary to prove that a port or port facility is in the interest of "public convenience and necessity" before the facility can be created, thereby eliminating a lot of unnecessary and wasteful competition between ports. To say that there must be no competition is to denounce something that actually does and will continue to prevail, regardless of whether we want it or not, and whether it be an evil or a blessing in disguise, we must recognize it as a definite factor which should be properly regulated in the interest of the convenience and necessity of the general public.

I did learn at today's luncheon that some ports are robbers, but we do not charge for our services. Thank you. (Applause.)

PRESIDENT ABEL: Thank you, Captain Brennan.

I am glad you are so generous in San Diego. I would like to have a discussion from the floor, gentlemen, on this very important paper. I think there is a lot to be said on it. May we have further discussion from the floor?

MR. GEORGE W. OSGOOD (Tacoma, Washington): I can get two main points from Mr. Marias' paper. The first one is that he believes that if it is necessary to create proper service by a public port authority to make it commensurate with the development of the district, it will be justified in not charging any fees for the operation of that terminal.

The second thought is that he does not believe it possible for private terminal operators and public terminal operators to work harmoniously together.

On the first thought, I want to say that I happened to be a member of the committee of the American Association of Port Authorities that met with Mr. Eastman of the Interstate Commerce Commission when he was working so ardently trying to get his Wharfinger Bill made a law. He plainly stated to our committee that if he was successful in having this Wharfinger Bill adopted, that the main purpose of it would be to see that all ports, both public and private, charge for their services commensurate with the sustaining powers of the port. In other words, the charges must show a profit to take care of all charges—not only the operation but the interest and the redemption of bonds.

Now, on the second thought, I think we have proven in the Pacific Northwest, that it is entirely feasible for both port authorities and private operators to work together harmoniously. We have accomplished this through the Northwest Marine Terminal Association, and I think that all of the Northwest ports and the private operators agree that we have worked harmoniously together. Since that has been accomplished, we have made more money to keep up our ports, and we have not had the bickering and the cutting of rates and the misunderstanding and such that we had through all the previous years. It was very discouraging to everyone concerned.

PRESIDENT ABEL: Thank you, George. We are glad to have your thoughts on the subject. We, here in California, can learn something from the reports you have made. Any further discussion?

MR. PHILIP H. CARROLL (Portland): I understood from Captain Brennan's paper, that he feels the Federal control of the ports is more or less of an accomplished fact at some future date. I don't see why it should be. I don't see that anything can be gained by Federal control of the ports. I think the ports are capable and I think there is too much Federal control of everything in this country. I think the ports are capable, as Mr. Osgood stated, of getting together in groups and tak-

ing care of their own particular problems in their own area. I would like this body to go on record as it has in the past and oppose any attempt of Federal regulation of the ports and more especially as has been tried at this last session of Congress to regulate through the Interstate Commerce Commission. Now, the Interstate Commerce Commission has, for some time, been operating and taking care of the railroads, regulating their bond issues, and look at them today. They are in a mess. With all their control and power, they have not accomplished a thing. They haven't kept them from bankruptcy, or kept competition with buses and so forth. They are in a bad plight, and I am sure that the ports of the country will get in just as bad a mess if they are put under I. C. C. control. If anything should control them, it should be the Maritime Commission.

**CAPTAIN BRENNAN:** I agree with what Phil said. But Federal control is an issue we can't dodge. The difference between the ports and the railroads is that the ports have to look to the taxpayers. They dig down and make up the deficiency. But the railroads can't do that. They have to go to the bond holders. The ports today are in the same condition as the railroads. Our great city of Los Angeles has to dig up about one million and a half dollars a year deficiency, and you know how much business Los Angeles does.

The point I was trying to put over was this. There is no getting around the fact that competition does exist, and Federal control would eliminate that unnecessary and wasteful competition between ports. Then, the ports could form an association similar to that in the Pacific Northwest and that would be the guidance for the charges. It is not possible to amortize every port investment on the same basis, but we should get somewhere near an equal standard, and the port charges, in my estimation, should amortize the investment. For instance, down in San Diego there is an investment in port improvements of some six million dollars. That is paid for by the community in San Diego. I can live around there and enjoy the benefits of all the facilities of that port and the taxpayers of San Diego are paying for it. It is similar to the situation you had at the luncheon today. He gets sore as the devil because he can't come into San Diego and have his slop carried off for nothing. He should pay for it because he is the fellow who is enjoying it.

**MR. MARIAS:** I confess a little ambiguity in my treatment of "competition" and "no competition." I really had reference to the commerce that is directly tributary to the ports—such as we find in dividing the tributary commerce among the several ports such as we have in the Bay Area. (Aside.) This ought to start a fight. (Laughter.)

In this Bay Area, we, the ports of the area, draw from

the two great valleys of the Sacramento and the San Joaquin. Now, in that sense, I was thinking of competition. I say it is foolish for each of the several ports to duplicate facilities. Let me make myself clear. Every major port has a certain service to render to its contiguous territory. In this field, I claim there must not be any competition by the duplicating of facilities because it means that the produce of that district must carry the additional cost that unnecessary duplication means. I, of course, recognize that there is competition in the wider fields, such as the Orient, and also in the eastern part of the United States, for export business. However, this competition should be confined to the points of origin and not develop in the ports themselves.

When I speak of low rates, this is what I mean. We, who are terminal operators, are operating public service terminals and, therefore, the cost of passing the freight through them must be the very lowest possible, commensurate, of course, with the costs of efficient operation and upkeep. We are merely one link in a system of distribution. Picture in your minds the point of origin and then in your minds carry the items through the various links to the final point of consumption. I do not know how many links there would be in this chain, but like the old adage, this chain is no stronger than its weakest link. Therefore, it behooves us all to look at the wide picture and not let our own problems sway us to the detriment of the economic distribution.

The ocean carrier and the stevedore are two of the links and they do not get along. I am not ready to discuss which is right and which is wrong, but neither one of those institutions has the right to bottle up the whole works. And therefore, we, as just one of those links, and performing a public function and a public service, must try to look at the whole problem and do our best not to make such charges as would help stifle commerce. One other thing and then I will stop.

I believe that port charges should be based upon the principles of the N. R. A., and I also believe that all charges and services should have the same basis which simplified means that every transaction is entitled to a fair profit, but this principle must be understood to be a principle based upon efficient service and, therefore, preclude the possibility of demanding a fair return for a service inadequately rendered, or over a facility which is admittedly an economic mistake.

**PRESIDENT ABEL:** Thank you, Mr. Marias, for those thoughts. Is there any further discussion?

**CAPTAIN BRENNAN:** He talks about the port charges stifling the transportation. Does he realize that the port gets practically nothing for the service rendered when you figure out the cost per ton delivered? In some cases it is ten cents a ton. The stevedore gets \$1.10 an

hour and the steamship company gets so much per ton, depending on how far it is carried. And Joe gets ten cents. That's not holding anybody up.

**MR. MARIAS:** The point that I am making is that we should be very careful. It is our duty that we do not overcharge, and that we do it at the most economical price.

**PRESIDENT ABEL:** If there is no further discussion we will proceed.

The next paper is Paper No. 2, "The Relationship of Industrial Plants to Port Terminals," by Fred D. Parr, President of the Parr-Richmond Terminal. Mr. Parr. (Applause.)

**MR. FRED D. PARR (Richmond):** Mr. Chairman and gentlemen:

First, I want to express my appreciation at being permitted to take part in this program. I am not a voting member of the Pacific Coast Association of Port Authorities, but I am happy to have fellowship with you. I want to record my conviction that these conventions, not only the Pacific Coast Association of Port Authorities Convention, but also the California Association, with its meetings under the leadership of Mr. Arbogast, are doing a very fine service. I would like to see the private operators in a closer relationship with their older and bigger brothers. We profit by this association, and we want to play the game with you in a very fine way.

Now, the subject assigned to me is:

#### **Relationship of Industrial Plants to Port Terminals**

**By FRED D. PARR, President**

**Parr-Richmond Terminal Corporation  
Richmond, California**

The location and operation of port terminals constitute important factors determining the success or failure of many industrial enterprises. The significance of such terminals to industry is not limited merely to the facilities or services immediately furnished or performed in the handling of goods. Less direct but no less definite is the effect of the terminal as it governs other connected elements in the transportation chain.

For the purposes of this paper, which must necessarily deal with generalizations, the term "port terminals" may be used in a sense to include generally those terminals which cater to the public for the handling of cargo that moves inbound or outbound by water carriers. In considering the relationship between such terminals and industrial plants, it will be useful to point out three particular classifications of industrial plants to which port terminals assume special importance. The first, and broadest, of these classifications includes all industrial plants that, whether or not situated in the immediate vicinity of a terminal, are located at least within the rail switching limits of a port terminal which is served at terminal rates by ocean carriers. Next we may consider those plants which are located not only within the switching area of the port terminal but in close proximity to the terminal; and thirdly, those industrial plants which, wherever situated, properly require ship's side storage of cargo in large volume.

Plants subject to the first of these classifications, i. e., those located within the switching limit area, profit by the savings in rail or truck charges prevailing in such area, as compared with the rail or truck charges which would be incurred if the cargo had to be shipped to or from a terminal beyond the switching limits. In this way these plants benefit directly from their location within the switching limits of a particular port terminal.

Yet it is not always that particular terminal which reaps the benefit of the savings which it makes possible to the industries within the switching limits. Certain industries may route their cargo to the terminals outside the switching area and permit the steamship companies (or possibly the other terminals) to absorb the difference in switching charges for the benefit of the industries rather than of the carriers to deliver the cargo or accept it at the port terminal outside the switching area. In this way that terminal loses its proper share of the benefit of the competitive advantages which it has in large measure created for the industries.

Nor is it such port terminal alone which may suffer from undue use of switching absorptions. Because of competitive conditions, these absorption practices may eventually be extended to the difference in land carrier rates to plants that are far removed from port terminals, thus placing a severe burden upon the steamship companies (or the other terminals) which must bear the absorption.

And in the long run, even the industrial plants themselves suffer from artificial absorption practices. When cargo is delivered to the port terminal through which it should normally flow, the terminal may find itself without sufficient volume of tonnage to justify its continued operation on a profitable basis. Furthermore, even such port terminal should cease to have sufficient tonnage to justify the ocean carriers in calling for or otherwise handling material through its facilities, then the carriers may eliminate or restrict their services at terminal rates at that terminal. Such a situation would normally be followed by the elimination of the absorptions of rail or truck charges to other terminals. The consequence would be an increase in transportation costs to the industrial plants.

Now we may refer to the second of our classifications of industrial plants considered with reference to port terminals, namely plants which are located not only within the switching area of a port terminal but in the close proximity of the terminal facility. One reason for establishment of a plant immediately adjacent to a port terminal may be the necessity of direct cargo movement between water carriers berthed at the port terminal and the industrial plant. As examples might be cited a grain elevator, an oil refinery, any other plant with conveyors or pipelines connecting the berth with the plant.

Even apart from cases where there is the necessity of such a connection between the plant and the terminal dock, there are instances in which substantial economies, in labor costs or otherwise, may be effected by the location of industrial plants in close proximity to port terminals. This seems to be particularly true in the processing and storage of dried fruit, the compressing and of cotton, the storage of sugar or wool, and other comparable commodities.

An industry of the general nature last referred to may be faced with the question whether it would be economically preferable to construct, maintain and operate its own private terminal or rather than make use of the port terminal. Except where the tremendous volume of business, it is usually cheaper to use the facilities of the public port terminal.

Generally speaking, the port terminal will be served with frequent and diversified steamship services than would be available at a private dock. Also, the port terminal will be more certain to have terminal steamship rates and the absorptions of port charges which are often made at public port terminals. The effect of these costs by the carriers removes a considerable burden from industrial plants.

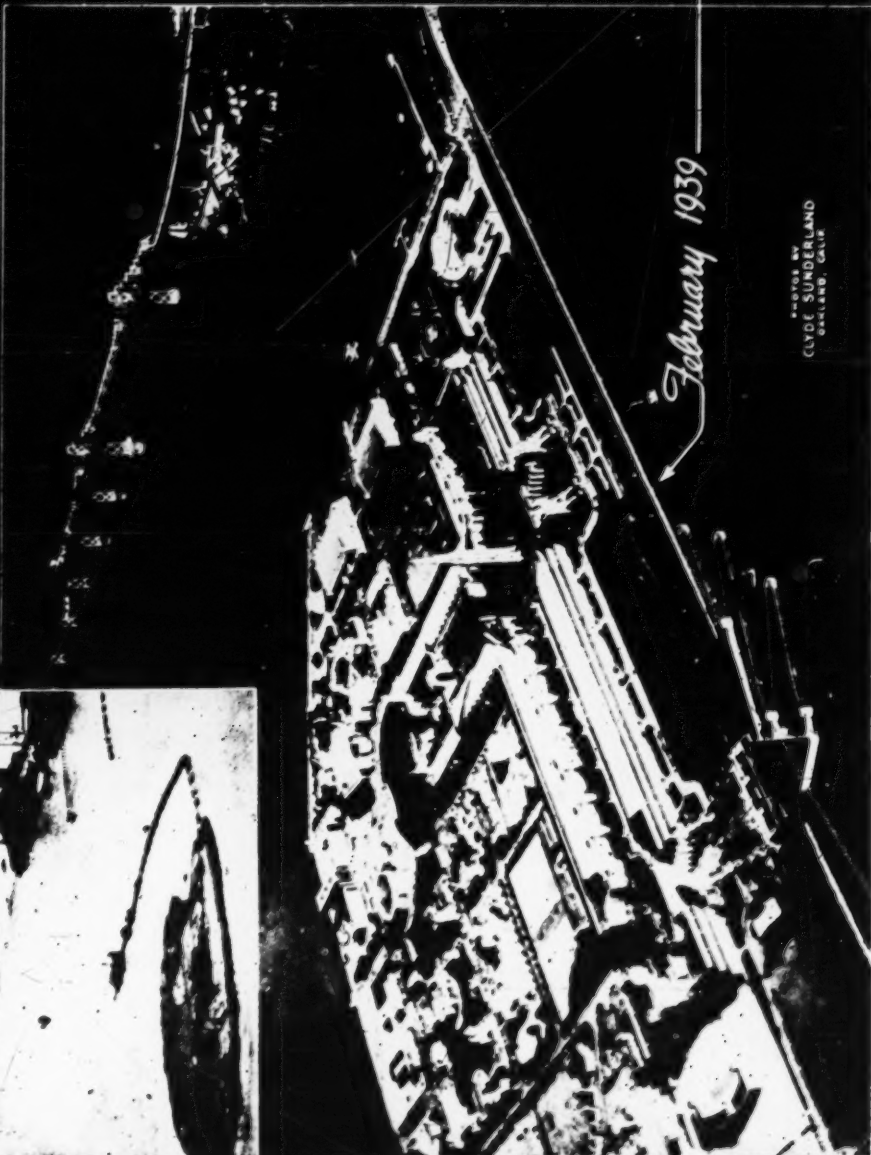
The third, and final, classification of industrial plants to be considered in connection with the functions of port terminals consists, as we have recalled, of those plants, wherever situated, that properly require ship's side storage of cargo in large volume. The storage of lumber, fertilizers, bulk salt, sand, coal, rolls of paper, grain, etc., is an essential part of the production and distribution of these commodities; and storage at ship's side offers a special advantage in the concentration of the commodities in large volume at a point where they are available for the prompt filling of orders for shipment. There is no reason why port terminals should not provide this advantage to the industrial plants, for port terminals, in cases where space is available for storage at the terminal without interference with the normal flow of its transit cargo.

In any examination of the relationship between industrial plants and port terminals, it is important not to overlook the effect of regulation of the practices and rates.

# Treasure Island



February 1936



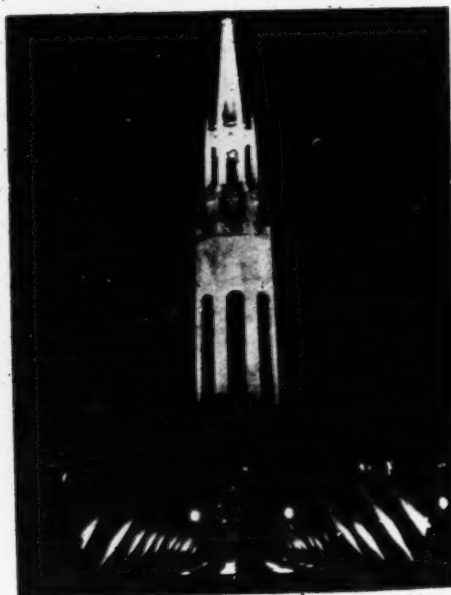
February 1939

PHOTOGRAPHED BY  
CLYDE SUNDLAND  
OAKLAND, CALIF.

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Convention delegates will long remember Pacific Coast Association of Port Authorities Day on Treasure Island. Here the stately Tower of the Sun stands guard over the pool in the Court of the Moon—



—where at night the Fountain of the Evening Star cascaded brilliantly illuminated arches of water, and the majestic tower was transformed into four hundred feet of stately elegance.

port terminals by public authorities under the laws applicable to public utilities. If this regulation is to be in the interests of the industrial concerns that patronize the terminals, as well as the public as a whole, it must achieve a proper balance between the policy in favor of uniformity and stability in the terminal business, on the one hand, and the policy in favor of free competition for public patronage by fair means among the respective terminals, on the other hand. The author of this paper, for one, feels that there has been some tendency in recent years to give undue weight to the first of these two policies at the expense of the latter. There is refreshing evidence of a shift in the attitude of both governmental authorities and the general public in the direction of a clearer recognition of the salutary effects on open and honest competition.

A further point which should be specially emphasized while we are on the subject of the public regulation of port terminals is that the effects of any such regulation should apply uniformly and without discrimination as between (1) privately owned terminals and (2) terminals owned and operated by political units, such as municipalities or specially constituted port districts, with which the privately owned terminals must compete. Certainly, in the absence of most unusual circumstances, there can be no justification for fastening a tight rein of restrictive regulation upon one terminal when another competing terminal, offering substantially similar services and facilities to industry, is, because of a difference in legal status resulting from differences in ownership and organization, left to be a law unto itself.

In California, for example, privately owned terminal facilities are subject to regulatory jurisdiction of the State Railroad Commission, whereas, by virtue of limitations in the State Constitution, the Railroad Commission is powerless to enforce its orders upon the competing terminals which are municipally owned. It is suggested that this condition ought to be changed. Unless this can be accomplished by amendment of the State Constitution so that regulation of all these competing facilities may be centralized in one body, representing the interests of the general public, then the Federal jurisdiction over interstate commerce should be invoked in such a way that a measure of regulatory stability may be achieved through some agency of the Federal Government which will be able to control both types of port terminals.

The writer has constantly advocated a universal and uniform regulation of port terminals, both privately owned and publicly owned, and earnestly feels that the attainment of such an objective is necessary for the benefit not only of the various terminals themselves but of the industries and other interests which they serve.

Pending the attainment of this objective, there is one immediate concession which the managers of publicly owned port terminals should be called upon, by those to whom they are responsible, to make. They should adopt and abide by a policy of not altering their rates or rules of operation except upon reasonable advance notice to the public. This is legally required of the privately owned terminal operators. If municipal terminals are not similarly bound, not only will the private operator be unable to compete upon fair terms for his share of the traffic but, in addition to that, discrimination will be prevalent among competing industrial plants. One group of plants, employing private public utility facilities, will be subject to rates and regulations that are fixed by, and may not be changed without the approval of, a public utility commission; other plants, employing port terminal facilities controlled by municipal bodies, may, through negotiations with such bodies, obtain rate modifications without notice, thereby being enabled to quote special prices to favored customers or to secure a particular volume of business.

Under present-day conditions, the operation and maintenance of ocean terminal facilities has become a complex and costly affair. It is a responsibility of terminal executives to give efficient, economical, dependable and specialized services to industry.

Industry, on the other hand, must constantly be educated to the importance of port terminals. The industrialist is today confronted by unprecedented problems of production and distribution. When he has the services of a well-managed port terminal at his command, he is relieved of many burdens that otherwise would be bothersome and expensive. Whether he takes full account of the bearing of this factor in the transportation field may have decisive force in determining his ability to meet his own competition with success.

In the broad view, it is the function of port terminals to enable manufacturers and producers to reduce the cost of their materials and the expense of distributing their products to consumers. In the

performance of this function, port terminals render to industrial plants an outstanding service. (Applause)

**PRESIDENT ABEL:** Thank you, Mr. Parr, your paper reflects wisdom gleaned from many years of terminal operation.

We have a discussion of Mr. Parr's paper by Colonel Allin of Stockton. Colonel Allin. (Applause)

**COLONEL ALLIN (Stockton):** Mr. President and gentlemen:

It is quite an honor to occupy this pulpit with such a distinguished gentleman as Mr. Parr, but I am interested in this matter of competition which has been mentioned, and before reading my prepared discussion, I thought I might refer to it, because it seems to go through all of these papers very definitely as an underlying current.

Competition does exist. It is just there. We all know that the railroads are regulated and yet they are strictly competitive. We recall how the competition was removed during the days of the railroad administration, and how the type of service went down. I think it is very human and very natural that those connected with old and established ports should say that there should be no competition, and those new ports striving to gain a foothold should say that they should have a right to compete, and probably just so long as we have federal laws and agencies to allow for new ports we are going to have that situation within the bounds of reason.

#### Relationship of Industrial Plants to Port Terminals

Discussion by COLONEL B. C. ALLIN  
Director of the Port of Stockton

Mr. Parr, in his presentation of this matter, has analyzed the relationship between industries and terminals in a very comprehensive manner, and I would subscribe to all that Mr. Parr has said. However, it would seem that there are certain conclusions which might follow from an analysis of this situation.

Following Mr. Parr's classification of the relationship, we might take one extreme type, such as offered by San Francisco, where there is no industry located on a pier, but rather each steamship company operating its own pier, with industries located at some distance from the waterfront in the city. With this might be contrasted a ship-side industry with its own wharf, such as the sugar refinery at Crockett, to which all the vessels must go to lift cargo of this industry.

These might be said to constitute two extremes in operation, and the question might arise as to which in the long run is the better for all concerned.

In the case of the San Francisco arrangement, the steamer would call at only its own home berth, and all expense of moving the freight to or from the ship would be borne by the industry.

In the case of the example at Crockett, all of the expense of moving is borne by the ship, and none by the industry.

Is it not possible that some compromise solution in between these two extremes may offer advantages both to industries and to shipping?

For the sake of discussion, I would consider in such a compromise class the terminal at the Port of Stockton. In this particular case there are eight steamer berths surrounding, in a semicircle, a warehouse area which contains twelve sprinklered brick warehouses for general commodities, and also a grain terminal capable of holding 50,000 tons of grain. There have been at one time as high as 90,000 tons of merchandise stored in this area. The method of operation is as follows: a canning industry, or other industry which manufactures a product, moves the finished product, upon its completion, to warehouses on the property of the Port of Stockton, where the goods may remain in

storage for an indefinite length of time. If and when an order is placed for a shipment to some point by water, the shipment is then moved by terminal labor and equipment from the warehouse to the ship-side berth.

On the other hand, from the steamer's standpoint, let us consider that the steamer loads at only one berth, and freight from all of the warehouses, as well as straight transit freight, is moved to the berth of the ship. In the case of steamers loading grain, they are placed at one of the two berths which are served by the grain terminal conveyors, thus making it possible for those particular steamers to load all of their general cargo and grain without moving. In this type of operation, the shipper has the convenience of storing his merchandise practically at shipside, with a probable saving in transportation costs, as well as convenience in moving his goods to the ship berth when they are ordered out.

Furthermore, from the steamship angle, this type of terminal makes it possible for the ship to load without the expense of moving to another berth for a portion of the cargo which is to be loaded within that one port.

It would seem that some such compromise would hold definite advantages for both steamship operator and shipper. By the same analysis, it would follow that the separate wharf or the wharf of an individual industry is the least desirable, unless it be operated by a type of industry which requires special storage or handling facilities, which would not be readily available at a regular transit ship berth.

It has been my feeling that at times industries have been a little overenthusiastic in providing their own ship-side facilities, and that in making their arrangement for waterfront operation they have overlooked some of the commercial aspects which, from a steamship standpoint, hinder their successful operation. When an industry provides its own facilities and expects the steamer to call at those facilities, it naturally presupposes that there will be a sufficient amount of cargo offering to warrant the steamer, making the shift, but if this is not so, then the smaller shipments of the industry will have to move over other and distant wharves, so that the system will fail to that extent.

Then, from a financial standpoint, the construction of private wharves by industries is often questionable. They may feel that owning their own wharf gives them the benefit of loading at a lower cost, but in very few instances is this probably the case. When the cost of dredging and the cost of the wharf are considered, with amortization and interest on the investment, it will be found to correspond to a very expensive tollage item against the industry, unless it is moving its freight in bulk in tremendous quantities. With port charges as low as they are in this country—disastrously low in many cases—it would seem the height of folly for most industries to provide their own terminal facilities rather than to use those provided by others on a pay-as-you-go, or tollage, basis.

For the above reasons, it would be my conclusion that except in quite special cases, an industry would be foolish to supply its own facilities, but would do better to depend on a public berth.

Then there is one additional conclusion which might be reached regarding the industry which locates on terminal property. It is often said that competition is the life of trade, and it would seem that an industry would be safest as to service and charges if it is not too wholly controlled by any one ship berth or terminal. If an industry is sufficiently close to a terminal to provide reasonable access to the waterfront, and yet to allow reasonable operation over a competing terminal, the manager of that industry will probably rest assured of proper treatment in his terminal operations, protected to him by competition. For this reason, it would seem that any industry which locates on port terminal property should very carefully, in its contractual relationship with the terminal, protect itself in order to obtain all the benefits of competing terminals.

Much has been said from time to time regarding new port development, and occasionally the operators of existing wharf facilities and shipping interests are prone to look upon new port development as purely political and unsound. It is not my desire here to argue that point, but merely to state that just so long as we continue to have progress in this country, and improvement of methods of transportation, we may still expect, and as when proper, to find new port development, and thus it may arise that an industry which ties itself definitely to one section of a waterfront may find itself undercut by a competitor located further back from the waterfront but in a locality which allows him, on a more advantageous basis, to use some new, and to him, previously unforeseen port development. Nat-

urally, port development is greatly dependent upon geographical factors, but it would appear that any industry definitely tying itself irrevocably to any one section of the waterfront should consider carefully the physical aspects of its section of the country and the possibility of future port development in adjacent areas, in order that it might realize fully and give consideration to the fact that in future operations might be subject to some commercial hazard, if such development should ensue.

If an industry were carefully to consider this point, it is very probable that in some cases it might therefrom reach a conclusion not to construct on the waterfront, but to construct at some distance from the waterfront, where strategically it could use any section of the waterfront which might then be available, or even at some future time. This point would not, of course, apply to the mere storage of commodities at ship-side or at a terminal.

In the operation of the Port of Stockton, the storage accounts of numerous industries have been mentioned. Even if the Port of Stockton did not feel that it had a moral obligation to protect the interests of these shippers, their interest would still be quite reasonably protected because they have only storage of commodities on the property of the port, and not permanent improvements, so that if some dispute regarding charges or service arose, they would simply store their commodities at some other location the following season, and that if worse came to worse, they could move their products to other terminals for shipment. It is a fact that certain commodities which are handled on the property of the Port of Stockton do move to other wharves for ocean shipment.

These various points which have been mentioned would seem to indicate that there is a certain balance in the relationship of industries and terminals wherein the interests, both of shipping and of industries, may be protected, and that probably for best results compromise between the extremes of operation as outlined will be found most advantageous. (Applause.)

**PRESIDENT ABEL:** May we have some comments from the floor on this interesting subject? If there are no comments, I would like to have Sergeant-at-Arms Colonel Bickford come up here. Colonel Bickford, have you anything to report? I suggest that you contact the various members and see that they become properly initiated in the ancient order of "behind the eight ball." The ceremony is usually performed in the Marine Room, and the Marine Room Committee should be on hand.

**COLONEL BICKFORD (Bellingham):** There is nothing to report as yet.

**PRESIDENT ABEL:** Is Mr. Kropff of the Pan-American Airways in the room? If he is not here yet, we will go on with the next paper.

I neglected to mention that Colonel Allen's paper was received a little late. The mimeographed copies have just been received and they are on the table. Anybody who wants one may help himself to the mimeographed copies.

Is Mr. Merrill here? Mr. Merrill, Mr. Kropff, who is going to talk on the Pan-American Airways, is not here yet. Would you mind giving your paper at this time?

We will now hear Paper No. 3, "Port Construction," by A. D. Merrill, Engineer, The Commission of Public Docks, Portland, Oregon. (Applause.)

**MR. A. D. MERRILL (Portland):** It is not my object to give an engineering or technical paper. I merely want to tell some of the harbor authorities what the engineer is up against once in a while.

## Some Problems Confronting the Port Engineer

By A. D. MERRILL, Engineer

The Commission of Public Docks  
Portland, Oregon

In the beginning of waterborne commerce, natural harbors were used, and in a great many cases no docks were built. Lighters were used for transferring the cargo from shore to vessel where the waters were shallow, and docks were only built where the depth of the water made it possible. In the course of the transition from sail to steam it became necessary for the economical handling of freight to build wharves, or docks, that a steamer could lay alongside of and discharge her cargo, and it became necessary for the engineer to use his knowledge to meet the forward progress. Now we have still another problem; and that is the building of artificial harbors, which has been made necessary by the advent of motor trucks and improved roadways for the economical transportation of commodities raised within given areas, and their distribution to world markets.

In the building of these harbors, most of the work is carried on by the U. S. Engineers. However, the port engineer, when acting as a consultant for a community in the preliminary development of such a project, must consider and balance the savings to the farmer, the manufacturer and the consumer in the immediate area served, against the cost of the creation of such artificial harbors. After a harbor has been decided upon, then comes the problem of the location of a terminal, or dock, and the problem of this location needs considerable study, as the engineer must take into consideration all possible types of freight to be handled, whether by rail or motor truck, for long haul or local delivery. There are usually two types of terminals, one for the transshipment of freight and one to handle local freight. But in a great many cases in smaller ports it is necessary to combine the two features, and too much thought cannot be given to this problem.

At one time docks were built long and narrow, and steamers used to shift from one berth to the other for discharging and loading. Now it is more economical to build the dock wide, so that the vessel does not have to shift. She can place her inbound cargo on one side of the pier and take her outbound cargo from the other. All this has been made practicable by the advent of the four wheeler with tractor, and the lift truck.

It is the belief of the writer that the problems confronting the port engineer in dock construction are continually changing, and the problems of today and yesterday, while basically the same, are changing somewhat, due to the different methods of handling of freight, also the change in available materials.

One of the problems confronted by the engineer is the change in the method of receiving and shipping freight by land. In other words, it has been noticed that a change has developed in the receiving of freight from the railroad and the truck. Not many years ago 70-80 per cent of all freight received was handled by the railroad, and about 20-30 per cent was handled by the truck. Now the railroad handles approximately one-half of the freight and the truck handles one-half of the freight. This means that accommodations for receiving and shipping of freight by truck must be increased, and nearly all truck lines will demand, if possible, tailgate delivery, which means that a certain amount of the rail accommodation must in some manner give way to the truck.

If tailgate delivery is not supplied for the truck, it is necessary for the truck to drive in the pier or warehouse itself, in order to discharge or receive its freight, thus causing congestion and an extreme amount of wear and tear upon the deck of the dock. The deck of the dock, however, is not the only place that extreme loads are encountered, for the reason that the trucks of today carry a load as high as 25 tons, and the greater proportion of this load is carried upon the rear axle, necessitating a stronger deck, heavier or closer spaced stringers, and a greater unit load on the caps and piling.

There is one other item that causes extreme wear and tear upon the deck of the dock, and that is the lift truck. We have in our district lift trucks which approximate 11,000 pounds; and with a full pay load, of 6,000 pounds make a total of 17,000 pounds in all. When the lift truck is loaded, by actual scale test it was shown that 14,000 pounds of this load was carried by the front axle and only 3,000 pounds upon the dolly, or rear axle, which means that it is possible to have 7,000 pounds upon the deck between the stringers, and this load moving anywhere from 6 to 12 miles an hour has a tendency to crush the decking, and in some instances shear the planks. The engineer, in designing the docks of today, must consider these features, and of

necessity build a slightly heavier dock. Some of the wear and tear on the decking, however, has been eliminated by using an asphalt top surface. This is very good when properly laid. Therefore, the engineer, in planning dock construction, must allow for the new methods of handling freight.

Under the present method of handling freight with lift boards, it is very easy for the wharfinger to pile excessive concentrated loading of the pier. While the dock is probably designed for a 600-pounds-per-square-foot loading, this excessive concentrated load on the pier will often times crush the caps, a little at a time, and eventually that portion of the cap bearing upon the pile head will become spongy and the moisture in the atmosphere on the under side of the dock creeps in, and in a very short period of time will cause dry rot. It has been found by the writer that by laying a piece of tarred paper, either two or three ply, upon the head of the piling and under the cap, the paper will be pressed into the wood and keep the moisture out, and thus prevent a dry rot from starting, and gives at least one-third more life to the pile head and cap. This work applies mostly to untreated timbers. However, treated timbers have been observed to rot from the same causes.

Treated timbers used in the construction of docks call upon the engineer to balance the question of fire hazards against the more rapid deterioration of the untreated timber, and until some method of treatment is discovered that will more or less fireproof the timbers, the engineer will still have to use his own judgment, providing, of course, he is not limited too greatly in the amount of money he has to expend.

The engineer's problem in piling is greatly varied, according to the geographical location in which he is building. In the southern waters the principal destructive element is the teredo and the Limnoria. The teredo is very prevalent in all salt waters. The Limnoria are not very destructive north of Coos Bay, Oregon, although there are some found in Puget Sound and Willapa and Grays Harbors. These destructive marine animals are not present in fresh water and therefore two very distinct classes of construction can be carried on—one for fresh water and one for salt water. In the southern parts of the Pacific it is almost compulsory to use concrete or metal piling, while in the northern part of the Pacific treated piles have proven quite satisfactory, and in the fresh water harbors untreated piling may be used, and receive satisfactory life. In all districts, dry rot is one of the things to be considered and guarded against, and this is only accomplished by extreme care in the selection of the timbers, proper drainage, keeping out unnecessary accumulation of rubbish, and gathering between the rails and upon the timbers below which retain moisture, or using the more expensive method by treating the timbers against dry rot, of which there are several methods.

There is one other destructive element which has appeared in the Columbia River district in the last five years, and that is the termite. The termite is extremely destructive and dangerous because of the fact that he does not make his presence known until the timber is ready to collapse. Considerable study has been made by the writer of the habits of the termite, and it has been found that he very seldom makes his own hole to start work upon a piece of timber. In the Portland district there appears to be a small green beetle which borrows a hole approximately the size and diameter of a BB shot, about three-quarters of an inch deep, in the timber in which the beetle's eggs are laid. The termite, when he takes wing, flies about, finds one of these beetle holes and crawls in, starting to work, and it has been found from this one hole (the only one that could be found on the outside of the timber) that the timber was completely channeled for as much as five or six feet with a colony of termites which would fill a one-pint measure. This particular timber was 40 feet above the deck of the dock and used as a cargo mast, and this timber was coated with creosote. The other method of operation of the termite is for them to go into the end grain of the timber, principally posts where they rest upon some other member, very seldom entering a post that has full bearing, which would show how important it is to cut a timber square and have a tight fit.

In recent years there have been some very disastrous fires, most of them starting on the under side of the pier, which is, from a fire-fighting angle, an extremely hard place to reach. As piers are generally one ship's length, or 500 feet long, it is a very easy matter for a fire to start and create a draft which would spread the fire the full length of the pier in a very short time, therefore showing the need of draft curtains being built to hold down spread of fires due to draft, and to maintain these draft curtains in good order, because

if they are not in good order they are useless. It also shows the necessity of installing a sprinkler system on the under side of the dock, which the writer believes is just as necessary, if not more so, than those installed under the roof. The writer believes it would be a good idea for the Chairman to set up a committee and to report to the Association on fire prevention even though the American Association of Port Authorities already have such a committee.

In some localities the engineer is hard pressed to maintain an adequate depth of water in the slips or on the pier heads. This is generally due to the fact that unnatural harbors are created for the economical handling of cargo or commodities raised in the immediate vicinity of the port, and when these harbors are created, the engineer as a rule is not given very much consideration as to its location, and he only hears from it after the harbor is built and the docks are constructed. After starting to use the piers for ocean commerce, they work fine for a year or two. Then the steamship companies make the trade changes, and deeper draft vessels desire to enter the port and occupy the docks. The engineer is then confronted with the fact that he has to do some dredging in order to accommodate the deeper draft vessels. When this happens, he wonders whether proper records have been kept of the driving of piling, so that he may know whether he has proper penetration, and whether it is possible to dredge for deeper water without injuring the safety of the cargo upon the dock. Some harbors, of course, do not have this problem to contend with, but there are a great many on the Pacific Coast which have. Therefore, the change in the design of vessels, the change of methods of handling of cargo, and the change of land transportation have caused a great many piers to become obsolete, and it has become much more difficult for the engineer to predict the future in this respect beyond a period of 10 years, and a dock must be built for at least 25 to 30 years of use in order for it to be economical.

Therefore it is necessary for the engineer not only to guard against obsolescence, but he must also design in such a manner that repairs may be economically made and alterations effected to meet the change of times. (Applause.)

I would just like to say that I only wrote that to give you an idea that the engineer doesn't lay on the drawing board all the time.

**PRESIDENT ABEL:** It is very interesting to have a paper from you, Mr. Merrill, and we will give a little thought to the matter of having a committee on fire prevention.

Mr. Earle, have you a word in regard to this matter?

**MR. E. C. EARLE (Los Angeles):** I think the paper was ably prepared by Mr. Merrill. I have little to add except of a technical nature. We in Los Angeles have followed practically all of the methods Mr. Merrill has mentioned. We have done more work in some respects, especially in the prevention of dry rot. We treat all of our timbers after they have been cut at any point at all with a creosote preservative and then with asphalt on top of that to seal them, and in connection with piling, we use single-top sheets to allow moisture over the pile; and the bolt holes are important items in preventing dry rot for timbers under docks. Each bolt hole is treated with a particular type of tool that injects the creosote preservative into the timber. I think Mr. Merrill has covered the subject pretty well on the matter of maintenance and some of the problems confronting the engineers of our ports.

**MR. MERRILL:** In turning the sheets while reading, Mr. President, I passed one sheet, and I would like to give it to you now.

In the Portland area in the last five years we have been contending with the termite, which is a very destructive little bug. It looks worse thing like an ant but is not harmless. The termites that we have to watch do not breed in the ground, they will attack timber anywhere in the air or any place else. In fact, we found one nest in our derrick masts, which are sixteen by twenty timber, forty feet off the ground, and only one hole in that timber, which was made by a green heron. It makes a hole about as big as a BB shot in it, and that would come down and we took enough termites out of it to fill a quart jar, and they got there nobody knows, but they have done in the City of Portland of Public Docks property about forty to sixty thousand dollars worth of damage in the last year.

**PRESIDENT ABEL:** I don't like to see the Dock Commission suffer, but we would like to get rid of some of the termites of ours here, we have quite a few.

**MR. MERRILL:** I have found in my laboratory that termites have a flight of four times a year, and we treat timbers with a spray which we have developed. We can hold them down by getting the flight. We keep a hive of these termites, and when they take wing and are ready to go, then we start out and spray. That flight is uniform, regardless of whether it is in the docks or in the timbers, because we have checked the woods, and the flight is uniform right through.

**MR. JOSEPH MARIAS (San Francisco):** You mentioned you spray the pilings underneath the docks?

**MR. MERRILL:** They do not attack the pile, they go into timbers almost entirely. I have never found any piling so far. We spray on the contact points.

**MR. MARIAS:** You spoke of fire protection a little while ago. Are you troubled with any fires under the docks from volatile oils?

**MR. MERRILL:** If a fire starts from the under side of the dock it is one of the hardest fires to fight, because a fire boat in certain areas is too high off the water to shoot water under it.

**MR. MARIAS:** How are the fires usually started?

**MR. MERRILL:** They are usually set in our territory. We have a lot of firebugs moving around right now.

**MR. MARIAS:** Do you have much trouble with volatile oils under your docks? Recently the Western International Congress asked me to prepare a paper on the volatility of oils. There are a number of laboratories now studying some chemical to reduce the volatility of oil to reduce the hazards under the docks.

**MR. MERRILL:** Until somebody develops something to make creosote fireproof, you will have a hard time. San Francisco had one, New York had a bad fire, and it spread very rapidly once they started. Unless they have proper fire curtains or draft curtains to stop the fire, they will get out of hand. That is one reason I don't know whether you are situated the same as we are, but that you control the construction of private as well as

the docks. And in that way something should be set to get a more uniform code of construction.

**PRESIDENT ABEL:** Thank you, Mr. Merrill. Nicholson, have you a word on this matter of construction? We have only one paper in the whole program on construction.

**MR. GEORGE F. NICHOLSON (Los Angeles):** Mr. Chairman, I thought Mr. Merrill gave a very interesting talk. As to the matter of a sprinkling system under the piers, without a doubt a serious fire hazard exists on the inside of the piers, but there are some objections to a sprinkler system.

The first place it is a very expensive installation, and really it is subject to damage and excessive maintenance costs. Personally I have always felt that fire hazards are diminished very considerably by the spacing of the piers much closer together, and also the installation of wells in the deck itself, or the installation of fire extinguishers where the fire could be reached from the deck surface. So I believe there is a possibility of diminishing the fire hazards without the installation of a sprinkler system. Thank you.

**MR. F. C. EARLE:** We did develop these wells in the piers and used them every fifteen feet on spacings along the deck so bulldog nozzles could go through them and get the water up, and we reduced certain spacings from one hundred to two hundred feet.

**MR. MERRILL:** I would like to say this while we are getting all the discussion of fire hazards. What I found is that by the time the fire department gets to the pier, it is generally too late to do very much good. We need to have something to act quick.

**PRESIDENT ABEL:** It has been our experience in the past that the sprinkler system is the best watchman we can have because it is there all the time, and if the fire gets started that system immediately plays water on the fire and causes an alarm to be sounded for the fire department. We have had several instances on our Oakland piers where the sprinkler system has kept the fire under control until the fire department arrived.

**CAPTAIN BRENNAN (San Diego):** Did you ever figure out the cost of installation against the cost of insurance?

**PRESIDENT ABEL:** We just sprinkle the aprons, the aprons are of timber construction; the other part is concrete. I would state that some of the old timber structures have not yet any sprinklers. It hardly pays to put sprinkler systems on them.

**MR. EDWARD CARTER (Vancouver, B. C.):** As to the cost of under-deck sprinkling—that is at least in the

Columbia River district—the insurance companies will give you a sufficient reduction in your rates to overcome the admittedly heavy first cost of putting these sprinklers in. You have the assurance there of something to cope with your fire as soon as it starts, and they have assessed the value of it as such a great item that they will give very large reductions in insurance rates if you have under-deck sprinkling. It is so large that it will usually pay for that extra cost within an appreciable operation time.

**PRESIDENT ABEL:** Thank you, Mr. Carter. Those points are well to bring out in respect to proper fire protection and fire risks.

I think you will find our next speaker very interesting. His talk will not be in the form of a paper. It is an address by Mr. V. A. Kropff, Traffic Manager, Pacific Division, Pan-American Airways Company, who will speak to you on the subject, "Pan-American Airways." Mr. Kropff has brought along with him a number of maps which I think are now being distributed, he will make references to the map in his talk.

Mr. Kropff, you have the floor, and can take as much time as you like. (Applause.)

**MR. V. A. KROPFF:** Mr. Abel, and gentlemen of the Pacific Coast Association of Port Authorities.

I have had the privilege of sitting in with you for the last ten or twelve minutes, and you know I had begun to think that all of the problems were in aviation, naturally, but this has been very enlightening to me, and listening to your discussion I couldn't help but say to myself, "Thank God the termites haven't got into the Clippers yet!" (Laughter.)

#### **Pan-American Airways**

**By V. A. KROPFF, Traffic Manager**

**Pacific Division, Pan-American Airways**

Aviation, gentlemen, as you know, is actually a subject which is on the front page of every newspaper in the world today. It is international aviation, and a very, very timely topic. Now, I'd like to have you, if you will please, think in terms of aviation. As I am talking to you, will you kindly lift your horizon with me and think internationally?

Pan-American Airways does not fly one single domestic air mile. We leave that all to our very good friends, the United Airlines, the T. W. A., American Airlines and the rest of the excellent carriers in the United States. We do not fly in the United States, we immediately fly internationally, leaving our terminals at New York, Baltimore, Miami, Florida, Brownsville, Los Angeles and San Francisco, flying to foreign lands. Every large country in the world has its air transportation system. The English have their Imperial Airways, which you gentlemen are no doubt familiar with. The French have their airlines; the Dutch, the K. L. M., and as on it goes to each country, and actually each land is trying to outdo the other. It is supremacy of the air that they are all striving for, and each one is doing its best to claim just that.

Now, we Americans ask ourselves, "Where do we fit into this international picture?" I am told that the French, the English, and the Germans have theirs. Where does Uncle Sam fit into this scramble? Gentlemen, the answer is the Pan-American Airways system—the largest in the world. We carry international air mail and express for Uncle Sam. Were my address to you this afternoon at four o'clock on Treasure Island, you would have, incidentally, heard, as one man ably put it, "the roar at four." In other words, you would have heard the

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roar of trip number three hundred and twenty-one taking off from San Francisco Bay, bound for Honolulu, Midway, Wake, Guam, and then on to Hong Kong. Now, what does that mean?

It is more than trip number three hundred and twenty-one. Actually it amounts to this: it is twelve years of pioneering and research work that made that trip today at four o'clock possible. Now to give you a little bit of that background so that we can come up to date on it.

Twelve years ago the system was formed by our President, Mr. Tripp, Colonel Lindbergh, and our engineer, Mr. Priester, who conceived the idea of an air line for commercial purposes, bringing back markets to the United States which after the World War were lost to us, to regain for the United States foreign trade. It was to be not a pleasure-seeking airline, but actually an airline that would reach out and commercialize and help the business man of the United States to reach foreign markets sooner than his competitor was doing. The thought was to reach into Mexico, Central and South America and tap that market.

The first line was established some twelve years ago, flown by an American land plane, the Fokker F-7, a magnificent airplane—carrying seven or eight passengers, the last word of that day. It flew some ninety miles, from our original base at Key West to Havana. That was the first flight. From then on it went further into the West Indies and completely around South America.

Now, it has probably been some time since you men have had an opportunity to look at a map of that area. I brought these maps with me, and if you will kindly open them you will notice where Miami, Florida, is. Our base twelve years ago was Key West, as I mentioned before. It was moved to Miami, Florida. Now today, we can board numerous ships in Miami at the International Seaplane Terminal, which are going in numerous directions. We can take a domestic airliner from New York or San Francisco and in a few hours come to Miami and board a Pan-American Airways Clipper at, well, say seven-thirty in the morning, and fly through the West Indies, calling at Port-Au-Prince, and be in Haiti in four and one-half hours. Then on to the Dominican Republic, San Juan, and Puerto Rico that evening. In other words, starting in the morning, we can take off from Miami and be in San Juan that night. We have our choice from Puerto Rico either going through the West Indies, Martinique to the Port of Spain, Trinidad, or we can go straight and be in Trinidad at twelve-thirty, in time for lunch. And then proceeding south we can go along the coast of Brazil to Rio and work our way down to Buenos Aires, at which point we terminate and leave our flying boat equipment, taking a land plane to go across the Andes to Santiago, Chile. You can understand the comparison of this to other modes of transportation, and we are endeavoring to take passengers, mail and express into these various markets so the United States can enjoy the foreign trade. And after getting the order, it is shipped by surface transportation.

The flight from Buenos Aires over the Andes, commonly called "over the hump," is one of tremendous interest. Some of you men may have taken the flight. Some of us recall at school that they told us about "the mighty Andes," of their tremendous height, and so on. That is actually a fact, but flying the route, we fly through a pass which enables us never to reach an altitude of more than fourteen thousand five hundred feet. Now that might sound a little high to some of us, but actually it is not. Several weeks ago I had the opportunity to fly to New York with one of the domestic carriers. We flew at an altitude of sixteen thousand five, with no discomfort to any of the passengers. Oxygen was available to not only the crew, but for the passengers, should they want it. Next to each seat we have oxygen equipment on the trip from Santiago to Buenos Aires. Should any of you want it you can take it as you think you need it; it is simply a small tube, and you can inhale a little of it and it will revive you. Some of the boys flying the Navy tell us it is the greatest thing in the world on a Sunday morning. (Laughter.)

After our arrival in Santiago, Chile, we naturally proceeded back up the West Coast of South America, and this we do with land planes. Although the route plainly indicates that it should be flown by a flying boat, it actually is not. It is flown along a plateau along the shoreline and parallel to the Andes and up into Peru to Lima. We land at Lima and then on to Panama, which is, as we all know, the crossroads of the world. Now, at Panama, we have a choice of going in several directions. We can go to Barranquilla, up the Magdalena River, or we can go back over to Trinidad or up into Jamaica, into Havana and Miami, or through Central America. You will be inter-

ested to note that in all of these flights when we go into all of these various countries, we stop and land in the capital cities of each one of them, so you, as a business man who would want to make connections, would want to do so in the capital cities of these countries. From Barranquilla you can go to the capital of Colombia, and fly it in half a day. The trip down the Magdalena River depends on the condition of the mouth of the river whether you can get through, how long it will take, and that sort of thing. We then turn left and go up through Panama and up to Honduras into San Salvador and Guatemala City, and into Mexico, Brownsville and into the United States. Or we can go to Los Angeles, perhaps terminating there.

Now, just by way of comparison, have breakfast in Mexico City this morning around six and get to the airport at seven and we can be in the Hotel Oakland, let us say, for an eight o'clock dinner that night. That will give you an idea, gentlemen, of the tremendous stretches of territory, and how actually, international aviation has shrunk the world and made it smaller and smaller. That, gentlemen, will give you a little of the background and the development of the company through these years—through the West Indies and South America, which actually was the laboratory of the some five thousand personnel of the Airways and given the pilots, the men on the ground, the radio operators, the training that has made it possible to make these flights, and made possible flight number three hundred and twenty-one out of here today.

Now, we have also extensive territory in Alaska. From Fairbanks to Nome we have a comparison of time. With dog team between these points and returning—everything goes all right—the trip can be made in about a month to five weeks. If you wish, you can leave Fairbanks Wednesday morning, have lunch in Nome, and be back in Fairbanks Wednesday night.

The same situation exists in China, but somewhat modified since August, two years ago. At that time we had an extensive line in China with our headquarters at Shanghai, flying from Hong Kong to Keapin to Tientsin and also up to the great Wall of China, and up the Yangtze River to the border of Tibet. At the present time, some of those routes are being flown, and, in fact, our low factor there is just about one hundred per cent even in the face of obstacles as they now exist. There was an interesting comparison between the time from Chungking and Chengtu, which up to the time of the airline, the only transportation facilities to be had at all were sedan chairs carrying you across the mountains, and you can well imagine that four or six coolies taking you in a sedan chair was a pretty ragged schedule. If you were fortunate and received some good strong ones, you could make it in from five to six weeks. Now, you can make it in three hours. That again bears out the shrinkage caused by commercial aviation and what it has done to the world today. That all gives you the entire perspective to build up to the actual trans-Pacific crossing.

Most of you have seen and lived in the area where these Clippers have flown and operated, and you know a great deal about it through reading. In 1934 the line was pioneered, and in the early part of 1935 the U. S. Northaven was chartered, and the bases of Midway and Guam, and so on were colonized and the stepping stones of the Pacific were at that time built up. In 1935, the twenty-second of November, the first airmail left San Francisco Bay with the Clipper, and history was made on that day. That was the start. Flight number one, as designated by the Post Office Department, who keeps these trips in chronological order to bring us up to today's departure at four o'clock.

There is not much I can add to enlighten you on the North Pacific service. I am sure you gentlemen have read and heard and seen a great deal about it. Yesterday at four o'clock, you gentlemen probably also read, history again was made for this Pacific Coast when the California Clipper took off and landed in Honolulu this morning on its leg of the South Pacific survey flight. That route, I might add, is by way of Los Angeles. We have filed this application with the Civil Aeronautics Society, which is comparable to the Maritime Commission or the I. C. C. to the railroads. We are governed by the Civil Aeronautics Society, and we have filed with them the application for this route. It is now pending their discussion. The route is from San Francisco to Los Angeles Terminal Island, and there taking on passengers, mail and express to Honolulu. The next day the flight will be made some nineteen hundred miles to Canton Island. Up to this time, I should say, up to three or four months ago, Canton Island was uninhabited in the South Pacific, and is now jointly claimed by the United States and Great Britain and colonized by them. We have established a seaplane base there, with radio communications to

the same as on Wake Island, and everything is complete in the Clipper tomorrow afternoon in Caelon after leaving this tomorrow morning. From there it will go over the International Date Line, over the Fiji Islands to the capital of New Caledonia, which constitutes an overnight stop. Provision will also be made for passengers there. From there on, eleven hundred and twenty miles, at which point the Empire Airways, which are running subsidiary, will connect from Sydney with us at Auckland. This airline, as I understand it, is jointly financed by the governments of New Zealand, Australia, and Great Britain. Their flights have been surveyed, and everything is pending on our arrival there, crossing across the Tasman Sea, which enables you gentlemen to get to markets in Australia in five days, and from there to the East Indies, Singapore and so on in an equal day. This will point out to you the actual shrinkage of the world with the present facilities. That, gentlemen, covers everything to be said, or, at the present, is to be said on the South Pacific. The service for passengers, mail, and express will start, I don't know, it depends on the authorities. We are ready. We are just waiting for a signal to go ahead. On yesterday's flight there were some fifty passengers, personnel and Army and Navy and Coast Guard officers and representatives of the Civil Aeronautics Authority. We are waiting their report. That will give you some kind of an idea of the background and organization behind each one of these flights as they go, and then they leave this area. Each flight, gentlemen, is very closely guarded, for safety is paramount. Each individual has had a tremendous amount of thought and a tremendous amount of research. The ships come in here on Wednesday and are completely ready and a week later they go into service and on. Before the flight the meteorological data is assembled from the sea and forecasts are received by us from China, along with the islands of the Philippines and Guam—all reporting to us. A map is compiled every two hours; we know the air flow, the winds and conditions all the way across that area. So you can see that ship takes off it is not just another departure. The lawyer goes, but he has no idea of the detail and thought behind it every flight. I am sure you realize that this is going on, but usually impossible for you to visualize the extreme detail gone

I have gone over my time and, gentlemen, it has been a pleasure to be here. I am glad of the invitation, and I want to send an invitation to you to visit the base, and we hope you will come over. I am going to try to show you some of what is going on behind the scenes. I think it will be tremendously interesting to you. Thank you much. (Applause.)

PRESIDENT ABEL: I am certain the delegates here are very appreciative of your fine talk. It has been immensely interesting, and we will look forward to visiting your base over on Treasure Island on Saturday. Thank you very much.

I have the appointment of the Committee on Regulation, which was submitted this morning. I am appointing Arthur Eldridge of Los Angeles, M. D. McCarl of San Diego, Colonel Allin of Stockton, Captain Brennan of San Diego, Phil Carroll of Portland, and in an advisory capacity, Mr. West of the Northwest Terminal Operators. The committee may meet at such a time as it may see fit. I would like to state this—that although the program does not incorporate a notice that there would be a showing of the Port of Oakland moving picture, it will be shown to you on Friday in the South Room, which is next to the Marine Room. I also wish to call your attention to the golf tournament tomorrow.

There has also been a request that many would like to see the actual terminals in operation. You will see our film and it will give you a good idea. However,

arrangements for a trip to the terminals will be made for all who care to go.

We are going to have some entertainment tonight. There is going to be a dinner dance, as you all know. The Marine Room will be open as stated in the program. Is there any further business to come before the Convention at this time? If not, a motion is in order to adjourn.

Upon motion duly made and seconded, the meeting was adjourned at 4:45 P. M.

## THURSDAY, AUGUST 24, 1939 9:45 A. M.

The meeting was called to order by President Abel, acting as Chairman.

PRESIDENT ABEL: This morning we will be favored with a talk from Mr. Charles L. Wheeler, Executive Vice-President, McCormick Steamship Company, San Francisco, California. He was just talking to me about the age of speed we live in. He was out in his yard across the Bay this morning fixing up a badminton court when he noticed it was eight o'clock. At eight-thirty he left and was over here by nine. That's what bridges due for you. However, it is a pleasure indeed to introduce him to you. I shouldn't say "introduce," because you all know him—Charles L. Wheeler—who will address you on, "The Keel Is Laid."

MR. WHEELER (San Francisco): Mr. President and members of the Pacific Coast Association of Port Authorities:

Those of you who know me know that I can't be for anything or talk for anything unless I am rather enthusiastic, and I imagine you are wondering how I can be enthusiastic about an American Merchant Marine, considering some of the things that have happened to the Merchant Marine, particularly on the Pacific Coast, during the past few years. The casualties have been great, and those of us who are willing to labor on have continued perhaps because we loved the business and would rather be in the city and working in it and connected with the business that has access to the sea than being "hillbillies" or back in the Mojave area.

Before I touch on the question of our new American Merchant Marine, as a member of the Negotiating Committee for the waterfront employers of the Pacific Coast, I am going to ask this body seriously before they leave to consider some form of a resolution asking—well, I don't know whom, but whoever the powers that be, whether they be the longshoremen themselves or whether it is the President of the United States or Mr. Bridges or those who are going to decide whether or not we have a tieup within the next thirty or sixty days—ask them whether or not they won't consider one of three things:

The shipowners have offered to Labor—and as a member of the Negotiating Committee, I want to say to all of you honestly and truly that there isn't a single man in that group nor the group attending the meetings who has not wanted to avoid trouble and strife and who does not want us to continue the work regularly in all of the ports of the Pacific and they do offer to either: first, extend the present contract; or, secondly, to have collective bargaining; or, third, to arbitrate. Now, I don't know what more we could offer to the men, and I will say this: if there is anyone in this room who has a single suggestion that he would like to have handed to the Negotiating Committee, I would like to take it back.

Now that is the honest proposal that is being made, and I think this body ought to ask the powers that be to see that we do not have trouble this fall, and I think if we do not have trouble it will be because of the interest taken by organizations such as the Pacific Coast Association of Port Authorities, and I don't know any group that should be more interested than this particular group.

Now, as a shipowner, may I say before discussing the subject, that I honestly believe that if we could have the cooperation of Labor—I am not asking for a speed-up or anything of that sort, but cooperation of Labor, we could increase conservatively at least 50 per cent of the volume of freight that is moving over the Pacific Coast terminals today. It would not take long to sit down and go over with you gentlemen item by item the increases that we could have in the business going over our terminals, if we could gain the cooperation of Labor.

Some of us haven't given up, because we have faith in our country and its citizenship, and we believe we are going to go forward, we believe that we will again have conditions where we will be prosperous all along the Pacific Coast, as far as shipping is concerned.

### The Keel Is Laid

By CHARLES L. WHEELER, Executive Vice-President  
McCormick Steamship Company  
San Francisco, California

When the Maritime Commission sat down at the piano, everybody laughed. They had no idea what a lusty tune it was going to play. To the satisfaction of many it has come forth with the "swing" version of the Anvil Chorus. And it is a mighty pleasing sound to those of us on the Pacific Coast.

There are some who do not like "swing," and look upon it as a fad; in fact, as a competitor with their own tried and true and time-defying waltzes. On the other hand, I analyze the present movement as one more evolutionary development in the glamorous history of the mercantile marine of the United States.

The eyes of our forefathers have seen the strength and power of merchant ships. Our eyes are to see the glory of the coming of a new power.

The keel of a new fleet and a new policy has been laid.

Briefly this morning I wish to trace the history which laid the foundation for today's evolutionary step, analyze and justify the symphonic parts of our orchestra, and then relate the whole in those Latin American rhythms which are dear to my own heart.

American merchant marine history is usually presented with strong patriotic fervor. Too often the economic cause, the strong commercial foundation, is buried under enthusiasm for ships as instruments of national policy.

Let's strip this sentiment from our brief. Why not establish dollars-and-cents line of reasoning?

First, the historical approach.

Many books on our maritime industries commence with such words as those of Paul Zeis in his study of "American Shipping Policy." Shipping and Shipbuilding were important industries in the New England area even in colonial times. Lacking an abundance of good farm land, the inhabitants turned naturally to the occupation to which the territory seemed most suited: construction of wood ships, whaling, fishing and cargo carrying. By the end of the seventeenth century more than a thousand vessels were registered as built in New England.

Geographical circumstances in those days established shipping and shipbuilding as leading and prosperous industries. Yet, even under those conditions, subsidies were established. Registration and flag was limited in 1789 to American-built ships. This aided the shipbuilders. Shipping itself was assisted by means such as discriminatory duties favoring goods carried under the American flag. Coastal trade was even then reserved in effect to domestic vessels.

Steady growth of American tonnage reached a climax in the clipper ship era of the Fifties. However, the relative importance in our economic structure of shipping and shipbuilding declined. Attention and money and energy were being diverted to manufacturing and internal development.

The Civil War hastened a period of transition in our maritime activities. Steel ships replaced wooden ships. Our advantages over foreign competitors in vessel construction costs disappeared. Vessels were sunk or laid up in fear or destroyed in the war. And, after the war, interest continued to center on the domestic affairs of the nation. The commercial stimulus for construction and use of American flag vessels was almost dead.

Steam navigation had developed. As early as 1840, mail contracts were awarded to us as means of Government support. But foreign flag ships dominated, and all subsidy legislation was under better than High tariffs were established, lowering the volume of imported cargo available.

In 1850, American ships carried 74 per cent of American trade; in 1910 it was only 9 per cent. And by that time 90 per cent of the open merchant fleet was engaged in coastal trade.

Shipbuilders, shipowners and naval efforts to re-establish a competitive maritime policy failed. The vital interests of the country were absorbed elsewhere.

Then, the country prospered. Industries developed. Our demand abroad was being paid off. Americans traveled abroad. A change was coming.

Again war hastened a period of transition. The World War established the United States as the World's banker and warehouse for goods and services. We lacked merchant vessels. A Shipping Board and Emergency Fleet Corporation hurriedly undertook to produce over 3,000 vessels.

The War ended. The Emergency suddenly disappeared. The Government had a large surplus of ships. And from this point we commence modern American shipping policy.

Where do we pass beyond the point at which history sustains us? Perhaps because it is history and we can't do anything about it? Perhaps because all of the confusion has cleared away, and the perspective is clear? And when is it necessary to commence to justify history? Let's try to keep the perspective as clear as we can until only one more we are drawn into the turmoil of history in the making.

Perhaps there could be some controversy regarding the method of disposing of surplus tonnage after the War. However, we do know that something had to be done. And the Merchant Marine Act of 1920 directed our policy toward sale of those ships to private interests. It also enabled ship operators to compete temporarily with the returning tide of foreign competition.

Agitation for Government support did not succeed until international depression beginning after 1926 accentuated the need. Net earnings did not provide for replacement funds. The Jones White Act of 1928 reestablished ocean mail contracts. But steadily declining trade and earnings and increasing competition nullified the good intentions of this legislation.

Renewed demands for a merchant fleet to aid commerce and national defense resulted in investigations. A new policy materialized—defined in the Merchant Marine Act of 1936 and administered by an aggressive, realistic Maritime Commission.

Subsidies under the new policy are clearly defined as aid and

building and aid to ship operation. Financially, the bulk of the aid goes directly to shipbuilders to provide the ships—to suppliers, labor and builders.

The net effect of the new policy is to continue tariff protection for the construction branch of maritime activity, and to provide American labor with the opportunity to build and to operate vessels. It is designed to keep people employed in other industries and occupations coming from ship operation under the American flag.

The ship operator receives a subsidy, compensation for the difference in labor cost on his ship and that on his foreign competitors' ship. This is his principal aid. He also receives funds to reimburse him for paying more for food and insurance and repairs than he would if he operated the vessel under the same foreign flag as his competitors.

The so-called vessel operating subsidy money passes through a trust company's hands under close scrutiny of the Government to the merchant and other domestic interests. And the Government reserves the right to recapture from the operator those same funds if the operator over ten-year periods averages a net annual return of more than 10 percent on his capital investment.

You may ask: Why operate under the American flag? I recently spent several weeks in Europe studying the relative costs of ship building and operation. I wish it were possible here to explore in detail my findings. Time prevents.

I found shipbuilders and operators convenient with every inch of the job. Aggressively and with experience they were pushing their production, chartering and operating activities. Great strides had been made in new design and techniques. Construction yards were crowded with orders. Costs had mounted rapidly—up nearly as 50 percent in four years. There was great respect for our own program, there was concern over our latest situation.

While both shipbuilders and ship operators in Europe shared a reverence for our Government's program, there was one fundamental thing. Maritime activity the world over is today generally part and parcel of integrated national policy. High pressure nationalisms are insisted on both commercial and defensive. Why else do you find such free operation independent of nationalities that are specifically aimed, with result in success.

It was necessary to weigh the fact that this fundamental against the mixed problems of our own maritime industry.

The Maritime Commission and our Congress have adopted an improved method of the policy established in 1916. The August 1939 law that the President signed a bill which contains a provision of almost unprecedented scope which should stimulate further shipbuilding on both domestic and foreign waters.

The principle of the so-called trade-in-and-build program, as we are calling it, means other business. It involves no element of choice in the operator. It does not endow the disadvantageous the owner of the program. It is against his policy, but would be better to him.

The latter restriction has in large measure prevented the supply of our ships. World market prices are two to three times as high as prices in the domestic market. Hence the Government must pay a reasonable value for old ships. The allowance will give us a good start in new construction. Furthermore, the Government will not surrender itself over foreign claims. I am, recent during an emergency period, while no a few years are under construction. This is a difficult situation to re-emerge.

It is remarkable that an outstanding feature of our maritime industry is their participation in integrated maritime policy—banking, insurance, manufacturing, exporting and importing. Government activity, distribution and national defense.

The naval advocacy argument is important, but now as we are engaged in war, can the argument be inhibited. The country's navy is valued \$27,000,000 to build a third set of ships at Panama, but in the war we build battleships and airplanes and speed battleships. The Navy feels that there is an element of additional defensive strength in the passenger ships—convertible to supply ships, airplane carrier, troop ships, or capable of maintaining commerce in essential conditions—reason, then, that a national defense argument is established.

The commercial reason for ships is clearly related to the historical use of reasoning which we dropped a while back. We can take it down with the thought that we should establish the thesis that a merchant marine is a sound and proper investment. Remember that the main problem and cost is in supplying the vessels. The

trade-in-and-build program and a proper level of competitive transportation rates will help supply new ships.

The component parts of our American economy have been thoroughly explored by those with brains. They are inclined to agree that things are changing.

Natural forces supported an isolationist attitude before the last World War. The turning of inexperienced fingers caused a reversion to this attitude in the late twenties and early thirties.

However, the increasing complexity of international economic life pulled us—perhaps against our collective will—into the main stream.

Our tariffs are trending downward, duties should be able to pay us most easily in goods. Our tourists continue to travel in larger numbers. We recognize our international position by announcing our intention to appropriate the treaty of navigation and commerce with Japan. Economic action was taken against Germany. Aggressive trade methods are being developed in South America to promote our interests.

There is one thing which says that we should allow our foreign lenders to pay us by our using their vessels when importing or exporting or traveling. To be logical, the argument should also include opening up domestic routes to foreign vessels. This would mean changing a policy in effect since 1793. It would probably mean the termination of American shipbuilding. It would mean the complete breakdown of one section of our tariff wall. As a policy, we will only handle a substantial portion of our own foreign trade.

The merchant marine is only one link in the country's transportation system. It is only one link of our foreign relations. It has been said that a strong culture is often the best defense. Likewise, we have heard the statement that fifty per cent of foreign income is commercial activity. Hence, many people believe that vessels are not vital a part of the post-war aggressive side of our ledger of international finance to be discarded. The books are so strained by approaching an even flow of two-way trade. In fact, most expenditures alone may well offset to be the balance of trade.

Let's turn to South America to see how this situation of industries works.

The economies of that area are based on specialization in resources—grain, meat, sugar, coffee, oil, minerals, hardwood and oil-bearing nuts. These countries do not contain the resources which are essential to industries as we understand it.

South America's commerce is largely based on taking goods and exporting them. Most of the goods are exported to Europe, Africa, Asia and Australia. Buenos Aires, Sao Paulo, Lima, Santiago, Lima, Bogota and Caracas in Brazil, Santos is known as the coffee port of the world, with the bulk of every flag flying its flag in the docks. It is the port of the best coffee, the best of the world. Brazil's coffee is a good example of the export of goods from the land of the mountains. Commodities in Argentina, Brazil and Peru to name a few, are largely agricultural products which are exported and shipped into the hands of business men. Chilean goods are sent to the United States and Europe.

In the north, the United States is the main market for Latin American goods. The United States is the main market for Latin American goods. The United States is the main market for Latin American goods. The United States is the main market for Latin American goods.

The first picture that comes to mind is that of a nation. The United States is the main market for Latin American goods. The United States is the main market for Latin American goods. The United States is the main market for Latin American goods. The United States is the main market for Latin American goods.

Our Government is offering strong support to the American commercial credit policy through the Export-Import Bank, rail and cultural programs, extension of the export credit system and so on.

At the same time that pattern is developing as we faced with strong competition from Europe and Asia. We have every day of the activity of German radio stations, Japanese shipping advance plans, credit plans and other moves designed to strengthen the position of their people in trading with Latin America.

However, the position of our people in the world is not as good as we do make. The position of our people in the world is not as good as we do make. The position of our people in the world is not as good as we do make.

Our country has now entered the struggle for South American

trade via radio, diplomacy, bank credits, merchant marine and other means. Until now our Government had been rather negligent and failed to do even those things that are considered fair and essential in foreign trade competition. Now they are stepping out and really trying to do something about it. It has been announced that Washington is budgeting the expenditure of some 130 million dollars for the development of inter-American agricultural, economic and maritime business. Agricultural attaches will be placed in certain key cities. South American countries will be surveyed as a potential market for American products.

Various groups in this country are actively promoting trade, such as the coffee interests, who are spending millions to increase the sale of their product.

Some time ago the government and private banks helped the International Telephone and Telegraph Company arrange loans amounting to \$15,000,000 for expansion of their South American properties. The Export-Import Bank of the government took \$10,000,000 of this issue. I. T. & T. has properties in Argentina, Brazil, Chile and Peru. Other corporations of this country have a billion and a half dollars invested in the continent.

Business Week Magazine reported "More" moves in the Latin American program of Washington come to light. The diplomatic posts in both Colombia and Venezuela are raised to the rank of an embassy, and ambassadors were appointed. The Inter-American Commercial Arbitration Commission submitted its newest and most complete report on efforts to standardize commercial practices among the Pan American nations, and the Maritime Commission left it behind, out that plans were already nearly completed for the building of three fast and luxurious ships for the South American service, vessels which can really compete with rivals from Europe in both speed and comfort.

Word was issued that the Government would endeavor to expand corporate export activities permitted under the Webb-Pomeroy Act.

Germany and Italy have made politico-political ideologies—practically their most important export to South America," according to Mr. Truitt of the United States Maritime Commission in a recent address. "Many of their other manufactured products," he said, "have been laid upon docks and perbears in those countries at a loss—just to get them up. That sort of their propaganda effort. The pecuniary loss incident thereto was, no doubt, charged off to advertising."

The competition for this trade in South America is fierce. According to Mr. Truitt the air has become one of the most important mediums. Airplanes and radio stations are promoting totalitarian doctrines and interests daily throughout South America.

The intensity of the activities are indicated for the flood of a small, cheap radio manufactured in Germany and which is capable of receiving only German broadcasts. In some cases these radios are distributed free.

The press some time ago carried reports that Germany intends to rebuild its "transoceanic" news service, and to open a wireless transmitting station in Buenos Aires and another in Lima. Germans apparently believe that politics and economics are so closely linked in some South American countries that to control one it is necessary to control the other.

This European influence is carried further in that the nationals of each country (Germans, Italians and so on) are brought closely under the systems of their respective countries. They live and work in rather closely knit groups.

Other means of approach used by foreign countries to gain an economic foothold in Latin America include the idea of an export subsidy. It was recently reported that Japan has created a very large subsidy of this nature to promote exports to South America. And we are aware from time to time of Japanese purchases of Brazilian cotton and coffee and Argentine meats, all designed to build up a reciprocal trade relationship. Moreover, I am sure you are familiar with the vigor with which Japan is developing her merchant marine.

One interesting feature of trading by Germany and Italy is the fact that, as you may know, German products are transported to South America in German ships and Italian products in Italian ships.

While our Government has not enforced this method, it has promoted its merchant marine. Three new ships are being built for Mississippi Shipping Company to run from New Orleans to the East Coast of South America. The Grace Line ships were removed from the intercoastal route and now serve the Caribbean area and North Coast of South America in conjunction with United Fruit Company

services. The former Panama-Pacific intercoastal vessels have been rebuilt and are now running in the American Republic Line from the Atlantic Coast to the East Coast of South America.

Plans have materialized whereby the Pacific Argentine Line of our company will operate four new ships to the Pacific Coast and placed in the route between the West Coast of the United States to the East Coast of South America. The opening of this line is a potent example of the way ships develop trade development. From Shipping Board days and total tonnage of 70,000 tons a year, the aggressive work of export porters, Chambers of Commerce, bankers, members of our Club and our agents, port authorities and many others has built up a tonnage of 250,000 tons a year. We must particularly mention that growth also reflects the general promotional efforts of our government representatives.

Past development and future possibilities warrant active participation of this route in the unfolding of the new American Maritime.

Well, the orchestra is a long way from its finale, but I guarantee in short order. Rear Admiral Land, the Chairman of the Maritime Commission, has just informed us that the Maritime Commission has already ordered for its own account an arrangement with private operators eighty vessels. Sixteen have been laid out. An average of one a week will continue to be launched in the program. Late this month, according to Chairman Land, the largest passenger liner ever built in an American yard, will leave the ways.

Yes, the keel is laid. We are proud to be a part of it. I think you port authority members feel the same because of your participation.

Mr. Joseph Mattias, President of the San Francisco Board of Commissioners, said in a brief presented to Congress recently that the port authority must operate the port facilities in the most economical and efficient manner, and secondly, must know the movement of practically every commodity from the time it is loaded, whether on the farm or in the factories, or in adaptation until it has reached the consumer.

There, again, is a clear expression of what I have been trying to say—integrated commercial activity.

There is a need for an adequate American Merchant Marine as a sound investment. As Rear Admiral Wiles, one of the Maritime Commissioners, recently explained, at no time since the fleet reached its peak in the fifties have Americans stock of sufficiently substantial portion of American foreign tonnage. I am sure whether an adequate fleet can also be an economic ship.

It has been said that if our merchant ships carried even 1 per cent of our foreign commerce the increase in tonnage would be some \$79,000,000, of which \$45,000,000 might be the subsidized vessels. Compare this figure with total tonnage of ships today of some \$13,000,000 a year.

That's the appeal for American ships is not solely for love of patriotism. It is a business proposition, an investment in America. (Applause.)

**PRESIDENT ABEL:** Mr. Wheeler, we certainly are indebted to you for coming over here and presenting this fine paper. It is indeed very informative—a lot of thought in it. Mr. Wheeler just informs me that he has an engagement in San Francisco which will take him on his way, so again we thank you, Mr. Wheeler. (Applause.)

We are quite a way behind on our program. I have only a few very short remarks that any of the members like to make, just make them as rapidly as possible. There are no remarks, we will go to the next page. We will now have Paper No. 6, which was scheduled for ten-thirty, "Maritime Labor," by Mr. Frank Foster, President of the Waterfront Employers Association, San Francisco. We are very happy to have Mr. Foster here. (Applause.)

MR. FRANK FOISIE (San Francisco): Mr. President and members of the Pacific Coast Association of Port Authorities:

I was very much intrigued by what your President had to say about "too many Bridges" in this town. I came to the conclusion that he and Uncle Sam are apparently in entire accord, because I believe we are partially indebted to Uncle Sam for at least two of the bridges, and apparently Uncle Sam is returning to that old saying about two being company and a third a crowd. So apparently we are in complete accord with the Pacific Coast Association of Port Authorities and with Uncle Sam in his efforts today.

I am really filling in for Mr. Roth, who, with his usual thoughtfulness, has anticipated that since you have decided to double-head this morning on the subject of Maritime Labor, it might be well if I came first, apparently on the reasoning that we have not entered into collusion on the program. Obviously, he is going to see to it we don't enter into collusion in our thinking. (Laughter.)

It seems to me that the subject of Maritime Labor relationships today on the Pacific Coast is one which you would long have had enough of. Nevertheless, since you have elected it, I will do my best to give a candid account.

#### Maritime Labor Relations Today on the Pacific Coast

By F. P. FOISIE, President

Waterfront Employers Association of the Pacific Coast  
San Francisco, California

We shall try to see the labor relationships through the strike.

Perspective offers an appropriate beginning. History says it the longshoremen in Ancient Athens—P. C.

"The urban democracy was supported by the shopkeepers, craftsmen and workers. The keenest of them were the *Porosoi* men, ship-builders and fitters, sailors and dockers. Coming into contact with foreigners and being used in distant ventures, they had bold ideas in politics as in business, and were ambitious each for himself and all for the public good, which was their own. Rowdy and turbulent, they were always ready to rush to the Pnyx—political meeting. . . . In this way they could obtain from the system of government material profits and moral advantages. There were the presence tokens, the salaries, and the allowances, there were the shares of corn from the free doles."

James Bryce in his "American Commonwealth" describes the longshoremen in San Francisco in the time of our fathers as a dangerous element wherever they find them, even as in Athens.

History is repeating itself today in Pacific Coast maritime labor relationships, though in the modern manner.

#### Where We Are

There is nothing to strike for. The essentials of peace and stability in our maritime labor are all present in abundance. The industry is entirely unionized. Collective bargaining exists in every branch in all ports. Agreements are standard in the thirty ports on the Pacific Coast and with all the crabs, on ship and on shore. The highest wages are paid, the shortest hours worked, and the best conditions obtain.

Yet trouble is incessant, with serious disturbance in contract negotiations annually: job-action, quackies, and stoppage of work are perennial.

The Union policy is rooted in militancy, which, carried to its logical conclusion, means war. This is as true within industry as between nations; militancy serves no other end.

The philosophy of class conflict is spread with consummate skill. The biggest of "democratic" gimmicks, the instrument of persuasion is clamping to the best man, and absolute control of every man is by the law in power.

The leadership in our marine unions—with some notable exceptions—feeling it is expensive to its authority, neither union can trust its personal power. Neither government influence nor public opinion, certainly without sapient of national labor affiliations.

#### Some of our Labor Life

Progress is the lowest point of labor. Collective bargaining serves both to give water to the civil rights in industry and to bargain effectively in fixing the price of labor. Labor can progress, however, only with industry and not at its expense.

There is to be an experiment to know beyond shadow, it doubt that our maritime labor cannot intelligently take up with and more its wages while steadily giving less and less in work. This simple fundamental, earned rate of four personal expenses, appears hard to teach to the mind and labor life. The lesson is apparently shown in the chart, even the high contract of Pacific Coast longshoremen compared with the low, work efficiency, productivity, contrasted to the San Francisco. (The Chamberlain News, attached.) As its financial editor, Mr. Chamberlain, comments:

Porting a job, it is not a secret. Pacific Coast longshoremen, who have a slow down work program, are showing strikes, usually in the latter hours of the day. Like the farm boys, a strike of several weeks ago, some with every fourth row of work, a "slow down" strike. West Coast maritime labor leaders are making longshoremen workers, in terms of other men, it is not. The program of maritime laboring has required the most when two men are now required to do the work previously performed by one man. The strike has had threefold effect. Labor costs have shot up, without without an increase in work efficiency, and freight is being increased, too, due to higher costs of transportation, in purchasing power is declining because of rising costs.

By contrast, the foreword of the Steel Workers' Organizing Committee in its handbook on "Production Problems," in its many facts, lists, sets a high standard of enlightened self-interest in the following:

In order for all but temporary wage earners, farmers, and other useful people, to have income, we need to produce and distribute more, not less. The American people possess almost unlimited natural resources. We have trained management and millions of wage earners able and willing to work. Labor with efficient, steady, greater production, guided by efficient management means lower cost of unit. This enables our people to buy and use more goods. This, in turn, makes possible putting our unemployed back to work. With little or no unemployment the bargaining power of labor is increased, resulting in higher wages. Higher wages coupled with lower prices mean a higher standard of living.

Contrast this with the experience in port labor handling, with which the members of this Pacific Coast Association of Port Authorities are only too familiar in every one of our ports, on all of our docks. Constantly or otherwise, the loading and discharging of vessels during the past five years has been burdened with restrictive rules, the imposition of job-action strikes which can end only in making further wage increases and additional improvements in working conditions an economic impossibility. Labor cannot have its cake and eat it too. It may elect either restrictive rules, if wages increase and hours decrease. But if it elects an economic contraction—the one thing the other eventually is impossible.

Let us look at the record of economic wastage in Pacific Coast shipping.

The six hour straight-time day (not shift, mind you). The Union is now demanding that all work, whether continuing after three o'clock or beginning at that time, shall take the overtime rate of pay. Such a restrictive work day in a 24-hour transportation industry, an anomaly, it is to be found nowhere in this country in any branch of transportation, nor in shipping anywhere in the world.

Freezing men to do but the one kind of work, in dock or ship, standing up or working in the hold. Requiring that men be held standing, idle by, under pay. Delimiting more and more what work a man does while on watch so that any other, incidental work is declared to be

overtime, which in brief, is demanding that men be paid for work not done.

The refusal of the Union, contrary to the agreement, to permit normal progress badly needed in shipping for the introduction of cargo-handling equipment through job-action carried even to the point of preventing the use of such equipment already in the industry, of years standing. The normal, progressive introduction of labor-saving machinery is essential to progress both for the industry and in the public benefit, and need not in any sense be at the cost of either, displacing men already in the industry nor in reducing their earnings. The Union alleges large numbers of men displaced; the fact is that substantial numbers of men have been added to registration since 1934, and there is now a serious shortage. The Union alleges a loss in earnings; the fact is that earnings have increased substantially since 1933, several times what the wage increase amounts for. We are again confronted with the greatest of all scientific tragedies, an hypothesis slain by a fact.

#### Some of the Consequences

Costs are more than doubled. Wife benefits from long runs. No one. Some marginal rate cargoes fail to move, others are diverted. Butters go to other markets. Pacific Coast industries then suffering seriously. If labor benefited in such restrictive practices there would be at least that much justification. But none here.

The abuse of overtime is history repeating itself. Wartime abuse in this field was largely responsible for the shipping strike in 1921. How can we avoid repeating such experience in the near future when overtime abuses are such that in a matter of instants a man's overtime is paid than straight time.

The ceiling of possible benefits to the men has been reached through the Union policy and program of restrictive rules, and the floor hit in work done by the men.

#### Government in Labor

It is still true that that government is best which governs least.

Employers and Unions have hitherto shared the same philosophy of working out their collective salvation free of government intervention where practicable, minimizing it where it becomes necessary.

A new labor technique, however, appears to be upon us. The way of illustration: There is reason to believe that strategy by our Longshoremen's Union of this Coast is designed now to position the employers as locking out the Unions, whereas heretofore there has been a willingness to declare a strike and make no bones of it. The purpose is to place the men in position to benefit from unemployment reserves, which serves to protract the duration of any strike of the future.

The policy and practice of accomplishing labor's ends by job-action, beyond that which results from the collective bargain may well be leading us in this country into the Australian result, which is no slumbering and permanent in that country's dealing with waterside workers long defiant of the authority of the contract and of the law. That result is a legal straitjacket imposed on illegal strikes, as follows:

"Each state has its own industrial regulations which prescribe penalties for breaches of awards, but, dealing particularly with waterside workers, they are covered by a Federal Award made under the provisions of the Commonwealth Conciliation and Arbitration Act, the relevant parts of which are Sections 44, 45 and 46, which read as under—

"44.—(1). Where any organization or person bound by an order or award has committed any breach or non-observance of any term of the order or award a penalty not exceeding—

- (a) The maximum penalty fixed by the Court or a Conciliation Commissioner for any breach or non-observance of any term of the order or award, or
- (b) If no maximum penalty has been so fixed, the maximum penalty which the Court or a Conciliation Commissioner has power to fix therefor, may be imposed by the Court or by any District, County or Local Court or Court of summary jurisdiction which is constituted by a Judge or a Police Magistrate or by a Special Magistrate or by an Industrial Magistrate appointed under any State Act who is also a Police Magistrate or Special Magistrate.
- (2) Any such penalty may be sued for and recovered by—
  - (a) The Registrar; or
  - (aa) an Inspector appointed under this Act; or
  - (b) any organization which is affected, or whose members or any of them are affected, by the breach or non-observance; or

- (c) any member of any organization who is affected by the breach or non-observance; or
- (d) any party to the award or order; or
- (e) any officer of any organization which is affected, or any of whose members are affected by the breach or non-observance, who is authorized under the rules of the organization to sue on behalf of the organization.

45. Where any Court imposes a penalty in pursuance of the last preceding section, or in pursuance of section forty-nine of this Act it may order that the penalty, or any part thereof, be paid into the Consolidated Revenue Fund, or to such organization or person as specified in the order.

46. Where a Court has imposed a penalty for an offense against this Act or the regulations thereunder or for a breach or non-observance of any term of any order or award, or has ordered the payment of any costs or expenses, a certificate under the hand of the Registrar, specifying the amount payable and the organization and the persons by and to whom respectively it is payable, may be filed in any Federal or State Court, having civil jurisdiction to the extent of that amount, and shall thereupon be enforceable in all respects as a final judgment of that Court.

We shrieve irresistibly, forced in this country by public demand for a similar solution, unless employers and unions find a means in this time to avoid constant stoppages, periodically spaced, with serious repeated strikes.

Both of us will rue that day should it come.

It should never be forgotten that what the government will do will also control.

#### Some Conclusions

Our marine labor contracts on the Pacific Coast are ripe by any comparable standard in related industries or with other maritime nations.

The coupling of responsibility with power is inevitable. The one grows with the other inexorably. The effort to state the one and abate the other is fatalous in labor relationships as in any other phase of human relations. And with great power goes grave responsibility for maintaining peace and stability of the labor relationships in shipping in this Coast.

The shiftable facts of labor life are learned at tremendous cost, for education is more costly in practical life by far than in the case room, and in labor relationships we seem to learn only through conflict and wastage.

You will wish to know, and it is due you that we state with candid and our judgment of whether Pacific Coast shipping will visit upon Pacific Coast communities another disturbance this fall. The one of prospect in labor relationships is undoubtedly the most hazardous in all occupations.

We cannot speak for labor.

But shipping wishes to make clear its position that we seek the peace at any cost short of surrendering the industry. The negotiatory evidence is an effort to renew the contract for another year, even though shipping suffers seriously from failure by the Union to observe the contract and failure by the men to give a fair day's work. That contract offers the highest wages, shortest hours and best working conditions of any contract the world over in the shipping trade.

The Union has rejected that offer.

The employers now offer an alternative, that of arbitrating and the differences between us. Can we do more?

Shipping does not believe therefore, that a strike is upon us.

If there is a strike, it will be because the leaders will have permitted in their demands for more and more, while giving you and law, and thinking so little of their cause and their case that they refuse to support it with the facts and reasons. They must furthermore recognize arbitration as an instrument of industrial peace. Under such circumstances economic force would hold full sway. (Applause.)

PRESIDENT ABEL: Mr. Fosse, we certainly enjoyed your very informative paper. We appreciate it.

We will not have a discussion of the paper at present. We will now have an address—

# Collective Bargaining the Answer to Our Waterfront Problems?

By ALMON E. ROOP, President  
San Francisco Employers Council

Arman and Unpleasant

can put away your glasses for you have none of my manhood yet you. After finding that Mr. Foster and I were both on the same side we both felt embarrassed because we draw our studies from the same experiences of the turbulent waterfront of the Coast. I don't want to repeat. However, in view of the true importance of this subject at the present moment, all three of us contribute what we know.

Foster has stated to you that the shipping interests will do anything that they can to avoid a tramp on this coast, and certainly the interest requires that both parties—the longshoremen and the shipowners—do everything in their power, but there is a point beyond which no industry can go in seeking peace.

Shipowners have offered to renew the existing contracts with the longshoremen.

Longshoremen have asked for the following modifications and to arbitrate. Unless modifications are agreed upon by September 30th, the contracts will automatically terminate.

Longshoremen have asked that the straight time hourly rate raised from 95 cents to \$1.10, and that the overtime rate be raised from \$1.40 to \$1.65.

Shipowners have taken the position that the demands for an increase in wages on behalf of the longshoremen and their maritime cannot be granted for the following reasons:

Wages, hours and working conditions are now enforced by maritime on the Pacific Coast are the highest and best in the world. The following tables indicate that present longshore wages and earnings of longshoremen are already too high when compared with other occupations which require much greater skill and many of apprenticeship.

Longshoremen in San Francisco receive \$1.10 per hour, including straight and overtime work, skilled and semi-skilled male employees manufacturing industries, 79¢ per hour, unskilled male employees in 27 manufacturing industries, 58¢ per hour, and semi-skilled male employees in the news, paper and magazine industries, 1.07¢ per hour.

Above-longshore figures are for the Port of San Francisco. The following figures are from reports of the National Industrial Conference Board. The Newspaper and Magazine Printing Industries are being the generally highest paid group of manufacturing, and skilled and semi-skilled workers in this industry require apprenticeship ranging from four to six years.

The following is a list of the weekly earnings for the first six months of 1939:

Longshoremen in San Francisco, \$42.42 per week, skilled and unskilled male employees in 26 manufacturing industries, 26.72¢ per week, unskilled male employees in 26 manufacturing industries, 20.72¢ per week, skilled and semi-skilled male employees in the news and magazine printing industries (highest rate), 41.98¢ per week, and skilled and semi-skilled male employees in iron and steel industries (heavy work), 28.56¢ per week, skilled and semi-skilled male employees in electrical manufacturing (technical work), 32.96¢ per week, and skilled and semi-skilled male employees in chemical industries (health hazards involved), 21.76¢ per week.

Above earnings for longshoremen are the experience for the first six months of 1939 for the Port of San Francisco. Figures for manufacturing industries are taken from reports of the National Industrial Conference Board covering the same period.

According to a survey of approximately 42,000 college alumni by the United States Office of Education, it was found that male graduates out of college eight years were receiving, in all occupations, an annual salary of \$2,416.00.

The present demand of the longshoremen would result in an annual wage of 5.9 per cent higher than this college group.

Average longshore weekly earnings for the first six months of 1939 were \$42.42, and an increase of 15.4 per cent over the year of 1938. Present earnings extended for the year 1939 will show an average increase of 15.4 per cent compared with 1934, when the present rate was fixed at \$500.00.

The number of regularly employed longshoremen in the Port of

San Francisco has increased from 6,000 to 4,700 since 1934. The fact that both the number of men and the average earnings have increased is a complete answer to the charge that men have been displaced by machinery and that their earnings have been spread thin by its introduction. It is also significant to note that longshoremen are not on relief.

If American shipping is to survive, and if California products are to compete successfully in world markets, loading and transportation costs must be kept within reason. Reduced shoreward labor has contributed every night to high costs that wage increases. A study by certified public accountants indicates the latest costs of loading a ton of sugar in San Francisco practically doubled between 1934 and 1938. In addition, as it may seem, such loading costs have increased 25.4 for the first six months of 1939 over the high costs of 1938 due entirely to organized slow-down. These increased costs of handling are reflected directly in the delivered costs of California products from competitive markets. The deadly combination of increased wages and reduced output cannot possibly be carried by either the shipping industry or the producers of this State. The following is a concrete example of reduced output through slow-down. In 1938 a standard gang of longshoremen handled an average of 2,000 sacks of sugar per gang per hour. The average is less than 1,000, and today the production has dropped to about 400 sacks in some casual situations.

The following extract from the decision of Arbitrator Wayne L. Mises covering a typical case of slow-down is in point.

"After a thorough study of the record of this case the arbitrator cannot escape the conclusion that one of the purposes of the union in obtaining direct transfers of cargo from trucks to ship, and vice versa is to create more work for longshoremen. Viewed from the other standpoint of the union such a purpose is entirely understandable. However, when viewed from the impartial position of an arbitrator, and of the public, such a purpose is neither reasonable nor right. It necessarily involves an enormous waste and funds to impose an unreasonable increase in cost upon the employers. When looked at from the standpoint of a long-time labor policy it is unfair both to labor and to the public, as well as to the employers. Unnecessary creation of work at the expense of employers is not contemplated by the agreement of October 1, 1938, and cannot be countenanced by any arbitrator who seeks to fulfill his obligation under that contract."

The following is a comparison of wages paid able-bodied seamen under present Pacific Coast contracts with the highest wages of able-bodied landward paid seamen elsewhere.

COUNTRIES	MONTHLY RATE	P. C. IS PER CENT HIGHER THAN
United States	\$72.50	
Denmark	51.52	40.7%
Norway	50.92	42.4%
Holland	40.28	47.1%
Great Britain	46.12	50.6%
Belgium	18.58	105.5%
France	29.37	245.9%
Japan	11.63	523.4%

It thus appears that our able-bodied seamen are now receiving 41 per cent higher wages than those paid by Denmark, the highest paid nation, and 52.4 per cent higher than those paid by Japan, one of our principal competitors.

The annual increases asked by the longshoremen would amount to \$2,847,000 for the Pacific Coast and \$1,500,000 for San Francisco. If the off-shore personnel is granted a similar increase, the annual increase in off-shore wages paid by American companies on the Pacific Coast would amount to \$1,250,000. This means an increased cost to the Pacific Coast shippers of over \$4,000,000.

It is obvious that an industry, which was pronounced a sick industry in the recent impartial report of the Special Committee appointed by the Maritime Commission, is in no position to pay the increased wages.

The Longshore Union has so far declined to submit any evidence to support its demand for wage increases. The only reason advanced has been the increased cost of living and the fact that the Union wants an increase.

Living costs in San Francisco have increased only 5.7 per cent since signing of contract in 1934, and average annual increases in wages during the same period have increased 2.7 per cent. The present contract provides for a six-hour day and overtime after the first six hours worked between 8:00 a. m. and 5:00 p. m. The longshoremen have asked that overtime be paid for all work per

formed before 8:00 a. m. and after 3:00 p. m. It is obvious that this request is merely a device for increasing the already high wages and has no relation whatever to the question of the reasonableness of working hour. It seems so unreasonable to require no further argument. The effect of this change would be to further increase the present exorbitant costs of handling a ton of freight.

The longshoremen's demand applied to the present earnings of \$1.16 per hour, with the same ratio of straight time and overtime would predict an average hourly earning of \$1.33 per hour.

At the present time the ratio of straight time to overtime is 1.87; or 53.5 hours straight time to 46.5 hours overtime for each 100 man-hours worked.

We have already approached the point (earning of \$1.175 per hour) when overtime at equal straight time—ratio 1 hour overtime to 1-hour straight time.

The longshoremen are asking for the present provisions for penalties on individual longshoremen for stoppages of work arising out of refusals to pass through picket lines, be eliminated. It is conceded that the shipowners, the longshoremen and the public have suffered terrific losses from "quickie" strikes and other stoppages of work. Confidence in San Francisco can never be restored and the gladball of our trading area can never be established as long as these interruptions of commerce continue.

The agreements governing longshore work contain written commitments by all parties to refrain from job-action and "quickie" strikes. The local working rules adopted by Port Committees contain similar provisions. In addition from time to time, union officials have given further written assurance that contract violations and "quickies" would cease.

In June, 1935, District and Local officers at San Francisco pledged Coast Arbitrator M. C. Sloan that job-action would be discontinued. In July, 1936, the Portland Local similarly pledged the Federal Arbitrator.

In March, 1937, Mr. H. R. Bridges and the Coast Committee wrote the Waterfront Employers as follows:

"The I. L. A. Pacific Coast District recognizes the fact that jurisdictional disputes between the various maritime unions and other disputes that are now occurring, involving issues beyond the terms of our contract, are working an unnecessary hardship on the employers through strikes, stoppages of work, etc."

"The I. L. A. Pacific Coast District hereby assures the employers, parties to the 1936 agreement as amended, that such disputes as herein described will not be recognized or supported by the membership of the I. L. A. by indulging in illegal strikes or stoppages of work."

In January, 1938, the officials of the Seattle Local pledged that the agreement would be observed and that stoppages would cease.

When the contracts were renewed last year it was agreed by all the parties that it was essential that these "quickie" strikes be eliminated. As a means of ending "quickie" strikes it was agreed that the arbitrator should have the power to impose penalties upon individual longshoremen who violated the agreement by stoppages of work. In support of that provision, Mr. H. R. Bridges, District President, on September 16, 1938, sent to each local union a statement which was read to the members and later ratified by a vote of 14 to 1, as follows:

"It was definitely felt by our negotiating committee that our organization has reached the stage where we are readily recognized as a responsible union. Stoppages of work that violate the agreement, over minor matters in many cases, regarding the welfare of our entire organization and the majority of its members and, in many cases, are definitely anti-union activities."

"We are of the opinion that the majority of members will agree with our view on this matter and, if and when the present agreements are renewed with the basic features intact, it shall be the duty of the local and district organizations to see that the agreement is strictly observed and those individual members who persist in relying on direct action at all times avail themselves of the machinery established in the agreement to settle disputes or will risk being penalized in the manner described herein."

The necessity for penalties is indicated by the fact that the industry suffered from almost one thousand "quickie" strikes and job-actions from 1934 to 1938. Since the above commitment of September, 1938, was given there has been 98 additional "quickies" and job-actions. The reasons which impelled the unions to agree that members should

be penalized for deliberate violations of the agreement are as compelling today as they were when Mr. Bridges endorsed them and the unions ratified them.

All these stoppages have occurred despite the fact that job-action is absolutely unnecessary and futile.

The agreement provides adequate machinery for settlement of disputes. Not a day's work would have been lost had the longshoremen resorted to this machinery. The unions have complained that there have been too many arbitrations, yet of the 29 arbitrations awarded handed down since October 1, 1938, 23 were precipitated by job action and work stoppages, which left the employers no other course except arbitration. Out of eight arbitrations pending, seven were precipitated by job-action. Under these circumstances, both the shipowners and the public have a right to demand that the present penalties be retained as the only method of eliminating job-action.

In view of the recent repudiation by the Union of Arbitrator stall-master's award suspending 61 men for an illegal stoppage of work at San Pedro, it would appear that the Union should now be required to give some additional guarantee against stoppages of work rather than be excused from the penalties which were agreed to less than a year ago.

Now, imagine the weakness of that case. Heretofore, we have been told when these picket lines appeared that longshoremen wouldn't go through for two reasons—on account of danger, and because if union men they won't have another union. They even had Chinese down there on the picket line, no union involved there was Chinese. Speaking as one who is no longer in charge of these negotiations, I can't see where they are going to get on that set of demands. They are so unreasonable, I don't see how the industry can grant them. They are going to have to go to arbitration; the sooner, the better. I think the public is going to demand it goes to arbitration. It is probably a good idea for the shipowners to sit down and attempt to negotiate this thing and settle it, but looking and listening to those chaps from the standpoint of their reasoning, I think they have been put in for the deliberate purpose of developing a militant situation, where people can be heroes for leading the men into battle. I hope that nobody pays the price here asked for peace. Nothing but chaos could result.

Now, we think here on the Pacific Coast that we have the worst situation in the world. It has been just as bad the world over, and the interesting thing is that the techniques that are used by employers and unions cause the troubles the world over.

The longshoremen are suggesting that the right of the employers to introduce labor-saving devices and machinery should be eliminated.

In many cases, cargo will not move by water unless the cost of handling can be kept down by labor-saving devices and machinery. Unless the savings thus made can be passed on to the shippers, business will be lost for both the shipowners and the longshoremen. Lumber, sulphur and scrap iron are examples. In any event, inasmuch as the men's actual earnings have increased and the number of men employed also have increased, it is apparent that the actual earnings of the men have not been curialed through the introduction of labor-saving machinery.

The longshoremen have suggested that the termination date be changed to May 1st. The real purpose behind the suggestion for a change of the termination date of the contract is set forth in the following resolution which was adopted by the Maritime Federation at its Convention held in November, 1937:

"WHEREAS Our last strike which was called on October 29, 1936, required before its final settlement the membership of all Northwest locals to do their picket duty at the most unfavorable season of the year through rain, snow and freezing weather; and

"WHEREAS Our time of expiration of agreements has been previously set at October 1 to conform with the expiration of I. L. A. agreements on the East Coast, so that we might have simultaneous action by both the East and West Coasts; and

"WHEREAS The adverse weather on the East Coast may have a tendency to drive the membership of the East Coast into a hasty and inadequate settlement.

"THEREFORE BE IT RESOLVED that this Third Annual Convention of the Maritime Federation of the Pacific Coast go on record to support a program calling for the expiration of all agreements between both the East and West Coast organizations and the shipowners and employers on April 30 of each year."

The reason for suggesting that the contract be extended to May is so clearly set forth in the above resolution that no further comment seems necessary.

I want to make it plain that our trouble is not with many unions; it is with the waterfront. I don't know the answer, but I know that the forces are at work which are favorable. There is no question about the public has wakened up to its interest in this thing. They are saying they are paying the bill.

There were some four thousand strikes last year, twenty-six thousand days of lost work; a million dollars in lost wages and a million dollars spent for relief. It doesn't make sense. You find evidences of new awakening. For the first time you are finding new legislation in Wisconsin, Pennsylvania, and Michigan, putting new responsibilities on labor. These evidences of the new awakening are but straw in the wind but they indicate that the public is waking up. Now there is another indication which is to my mind a very important one. If we can get it into the heads of these longshoremen that strikes hurt them, we have made a big start. Last year Mr. Foisie made a statement showing the exact stoppages of work we had on the waterfront. We presented that to the Negotiating Committee and they were impressed. For the first time they had a comprehensive picture. The longshoremen and members of the union began to realize that these strikes are hurting the business hurting them. Now behind these leaders are a lot of pretty decent fellows, for the most part, that I think are getting into their heads these repeated interruptions are hurting them. If they do there is some hope in the situation. One of these unions sent out a bulletin to members to the effect that if the fellows persisted in holding up through drunkenness at shore they would be penalized by being out of the union. I am sorry to say they haven't lived up to that union in recent months but it was a fine step on the part of the leaders.

There is another fact, and that is that the employers are organizing labor more effectively with this situation. Probably the waterfront is a fine organization for collective bargaining on the part of employers as any in the country. We haven't given it up; we are desperate now; but we believe that the fundamental interests of the men and the public and the attitude of the employer, shippers and farmers, who realize that these increased costs are taxed on to the consumer will lead us eventually to the point where we can solve this tremendous problem.

Where you are going to find an increasing organization of employers into effective units to deal more effectively in collective bargaining. The shipowners and employers are willing to do everything possible to reach a settlement, short of surrendering the industry to you. (Applause.)

**RESIDENT ABEL:** Mr. Roth, we are certainly indebted to you for this fine discussion. We thank you for coming here and giving this discussion. We also wish to thank Mr. Foisie again for coming here and discussing the matter of labor pertaining to the waterfront. A motion duly made and seconded the meeting adjourned for luncheon with the Oakland Chamber of Commerce. At the luncheon Colonel Arthur Fischer, Deputy Commissioner, Philippine Exhibit, Golden Gate International Exposition, gave an address on "America's Future in the Philippines."

#### America's Future in the Philippines

By COLONEL ARTHUR FISCHER, Deputy Commissioner, Philippine Exhibit, Golden Gate International Exposition  
Wonder how many of you have really appreciated the fact that we are living on the shores of an ocean which is bordered by a host of nations from Cape Horn at the tip end of South America to the coast of the Aleutian Islands joining Kamchatka in Asia and from there down to Japan, the Philippines, and the last festoon curving into the Indian Ocean, an area of the greatest geologic activity in the world. Active volcanoes dot the festoons in every political division thereof. Earthquake disasters are of daily occurrence.

And again economic and social problems from up and develop-

friction along fault lines. Whose fault? Our, as human beings collectively. What has brought us to this state? "The sweet poison of self-satisfaction and of satisfaction with highly unsatisfactory facts." "We have been confusing rather than divining the nature of things as they are and forgotten that the nature of life lies in the normal structure, environment and activities."

The economic problems of the Pacific region are the same basically as those in other parts of the world, they embrace agriculture, industry, commerce and finance of all the bordering countries, and for an understanding of these the fundamental physical and social factors, such as population, natural resources, social organization, health conditions, transport facilities, must be considered and they all affect the economics within a country and they in turn impinge on the economic problems of neighboring countries. Overproduction, under-selling, tariffs, quotas, nationalisms rampant, hoping to maintain Society or better it and not compensating controls—the result, repercussions everywhere.

"The economic world is balanced between centrifugal and centripetal forces and they sway alternately to either side, and within the sway are cycles of unification or dissolution of synthesis and analysis." "The partition of the economic world is followed by the partition of the common mind." Today we see the truth of the above quotations, forces of a disintegrating nature at work disrupting the norm when the ebb and flow of trade was based upon a stable basis of money, faith in business and in labor.

"Ideas lay snugly side by side,

Facts with the greatest elbow room collide."

Economic conditions in the world are complicated, and in the Pacific area even more so, with its greater differences of cultures and peoples, but your trade with the Philippines is on a cash basis, with their pesos pegged to your dollar at the rate of 2 to 1. We do not loan them to buy from us; blocked credits are unknown. The population increases at the rate of 1.45 per cent per year, so in 60 years they will number 64,000,000, with the land to support them. That is why the trade of the future looms large, 50 per cent of their production going into export and 80 per cent of their exports go to the United States, for which the United States returned over \$80,000,000 of manufactured goods. The Philippines buy each year wheat flour from the United States the equivalent of about 6,000,000 bushels, the product of 400,000 acres of your wheat farms. Cotton textiles, the product of 135,000 acres of Southern cotton fields, 100,000,000 pounds of raw milk, or the product of 25,000 cows, fresh fruits, canned fruits, fish and vegetables in quantities that the west coast farmers and fishermen would be surprised at if they looked at the figures. Cereals cargo means shipping and shipping needs harbors and ports. All trade to the Philippines up to 1820 was via Acapulco, Mexico, as the Islands came under the Vice Royalty of Mexico. The Spanish galleons were the only legitimate trade carriers in the 16th and 17th centuries across the Pacific Ocean. With the advent of steam, communications via Cape of Good Hope were established, then the Suez Canal opened up more trade. We in the Philippines realized that conditions as well as trade follow the laws of nature from the simple to the complex and back to the simple again but with higher specialization.

The Philippines are still primarily an agricultural country with about 54 per cent of the 114,000 square miles arable farming land, 18 per cent of which is cultivated and supports 16,000,000 people (Data Census—April 30, 1933). 46 per cent of the total area is forest land. So one can see that the Philippines are much closer to the soil than the Americans are, and withal are the most Americanized people in the world. They have spent over one billion pesos on health and education and material public improvements. They have 1,500,000 children in the public schools and 7,000 students in their own state university, with 100,000 pupils in public schools and 60,000 in private high schools and colleges. The Filipino is English speaking, the third largest English-speaking group in the world. The United States is first, the British Isles second, and the Philippines third, larger than Canada, Australia, New Zealand or South Africa in English-speaking inhabitants. They are a Christian people, 15,000,000 of them, the only Christian people as a group in Asia. They have 7,000 miles of improved highways in 49 provinces running into improved ports with large fleets of inter-island steamships.

In American trade they are the first overseas buyers of 105 of your products and your second largest customer for 55 other products and stand side by side with the Argentine Republic, seventh in the list of overseas customers. Boston concerns opened up branches in Manila

is far back as 1820, exporting Manila hemp and muscovado sugar. Heits Garen's husband started his fortune in Iloilo in the sugar trade in the 1860's. Spain did little in port improvements: ships lay off shore and cargo handled in lighters then to shore. When the Americans took over on August 13, 1898, with the capture of Manila, it took only 6 days to reorganize the customs, and on August 20, 1898, the Customs house was opened under military jurisdiction and trade began to function. In February and April respectively, 1899, Cebu and Iloilo were declared ports of entry, and by June, 1900, 70 interior ports were opened for all coastwise vessels, and the ports of Iloilo, Zamboanga and Siasi were declared ports of entry. Under the Spanish regime a private company held an exclusive contract for handling all cargo on customs premises.

In 1903 the government took over this work under the Customs Arrastre Division, and in Governor Harrison's regime the largest and best freight and passenger pier in the Far East was built. Mr. Earle, who designed this pier, is present. The Manila Terminal Co. began to function, a private company for handling all import and export cargo operating under the Manila Harbor Board. After occupation and proper shake-down in a few years, Lloyd's of London rated Manila as the premier port of the world for loading and discharging cargo.

Manila is now considering the alignment of the north harbor for freight vessels and inter-island shipping. The inter-island vessels dock in the Pasig River, while many of the coastwise vessels anchor within the breakwater and lighter their freight ashore. The plan is to facilitate the transfer of inter-island export cargo direct to freight over-seas vessels by proper dock and new harbor facilities. Another plan is to have a restricted area as a free zone. Mr. Paul Whitburn, who directs the original plans, is present here. This has received impetus since the Japanese occupation of North China, and the restrictions placed on shipping and trade in Shanghai and Tientsin. Quite a few of the large import and export houses of Shanghai have moved their offices to Manila, indicating their hope and confidence in the port's future, as well as the growing importance of the Philippines in world trade, and as sign of their No. 1 Taipan's say, Manila is the logical cross-roads port and turning point for European shipping and for both coasts of the Americas.

The phenomenal rise in total trade of the Philippines is primarily due to the national roads system throughout the inhabited islands terminating in inter-island ports. This gave rise to the opening up of formerly inaccessible fertile public lands, and their being put into cultivation led to an increase in production and modernizing inter-island shipping and a consequent increase in overseas tonnage. Due to lack of American bottoms, several Filipino overseas shipping companies have been formed and new high seas vessels contracted for and gradually entering the field in competition with American and foreign vessels. Simultaneous Nationalism and a desire for relative economic independence contribute to the urge in bringing about these conditions favorable to world trade.

We in the Philippines become keenly aware of upset labor conditions affecting shipping particularly. May I illustrate by again referring to the market for American flour developed in the Philippines? With your waterfront strikes, flour ran short, and not being able to import it from the United States, we turned to Australia, and this supplied us but the bakers and users had to get used to the new flour, finally when American flour shipments were resumed a considerable percentage for bakers continued with Australian flour. Machines, especially pumping, wing fans, steel products, etc., were imported from England and the continent and millions were lost to the United States' lumber, manufacturers, and shipping companies when Philippine trade alone. An Australian exporter made the statement that Mr. Bridges of worth a million worth of flour to Australia by bringing in San Francisco and diverting trade there was.

It is true that for many months in 1934-35 the Philippines, in supplying the auto factories, the fact of 3,000 licensed cars in operation should interest labor and shipping. So should automobiles gasoline and lubricating oils to supply these 35,000 vehicles.

The new wealth produced other than from agriculture, forest industries, both of which are constantly growing, is from mining. Gold profits everyone's imagination, and it naturally would be in the Philippines are mentioned because the production for the first six months of this year was better than six million pesos per month; at this rate, the Philippines will top Alaska or California in production this year.

Few people realize that we have the greatest known iron deposits Asia, with over 500,000,000 metric tons immediately available. Steam-shovelled into chutes and into ship's hold, similar to the Mesabi range in Minnesota, that large high-grade chromium ore deposits opened up and chrome ore being shipped to the United States, that manganese deposits are being developed and some oil has been found, but not yet in large commercial quantities. Just let us imagine for a moment that this natural wealth of key raw materials for use with the gold for foreign credits and exchange, became the pivot of a war-making nation and that this nation marshalled the power of Asia behind these resources. I'll leave it to your deduction as to what would happen to our trade, shipping ports, in fact our civilization which has advanced the world so that every working day is living better than any monarch did 100 years ago. The Philippines, in my estimation, looms very large in integrating the equities of the future, and particularly great in our economic equation. Less but each year becoming more important to the future of the English-speaking countries about the Pacific, the United States, Canada, New Zealand and Australia. My plea is to study your Pacific and remember these 16,000,000 Filipinos are Eastern in origin but Western in thought, action and desires. In culture one might say they are not for us, and their economies are tied to us so far. I again plead, study and think hard over the facts. Try and bring the Philippines into your picture of the spirit of the age as Stephen A. Douglas, when he said, "I try to keep up with the spirit of the Age" to know the history of the Country, to see what we have done, where we are going, and with what object we are joining in order to prepare for those events which is in the power of man to thwart. (Applause.)

THURSDAY, AUGUST 24, 1939.

2:15 P. M.

The meeting was called to order by President Abel acting as Chairman.

PRESIDENT ABEL: Gentlemen, this morning we had some very fine discussions and papers on the matter of waterfront and Maritime Labor. We are now opening this subject for discussion, and Mr. McMillan, member of the Board of State Harbor Commissioners, San Francisco, expressed his willingness to present a discussion. Commissioner McMillan. (Applause.)

MR. McMILLAN (San Francisco): Mr. President and gentlemen:

As I have considered the matter since being asked by the President to discuss this momentous problem, I realize how apt that axiom was that says something about "fools rush in where angels fear to tread." I, of course, was interested in the discussion this morning by my two friends, Mr. Roth and Mr. Foster, and of course listened to them, and were I to undertake to answer their statements, one who spent more than a third of a century representing labor, I would probably still be of the same opinion that you are now, that there are two sides to each question. I would agree with you to the extent that there is my side and the wrong side. That is the way the world would expect they would agree with you and that is the way I would agree with you.

There are really three things that cause labor leaders to do what they do. One is that it is a regular thing to do, secondly, there is nothing else for them to do, and third, because it is the right thing to do. Now I say to you with all sincerity in the three-three years I have served organized labor, I have always tried to do what I thought the right thing to do. It has been about three and a half years since I was transferred out of that department of labor.

The movement had to do with negotiations of wages and working conditions. It is much more pleasant work and you don't get so many licks in the slaps. When I was asked by your President to make some remarks on this subject I did agree to do so and I made some note of some things that I would like to bring to your attention.

perhaps am the youngest or the newest member of any present authority on the Pacific Coast. I assumed my duties with the San Francisco Harbor or the Board of Harbor Commissioners in May of 1919. So it is probably a good thing for me to be teaching with my pen, but I will undertake to lead only with my chin and not that of my fellow workers. I don't intend to try to answer either of the gentlemen who talked this morning, since that is not my responsibility. It is due to my newness as a member of the Port Authorities I give you delegates an apology for presuming to talk on the subject, "Collective Bargaining: The Solution to Our Problems?" But if it is an impartial observer will agree that since the passage of the Wagner Labor Act, the average business leader and many labor leaders who have had to operate under the Act have seen little or no understanding of what is involved in the collective bargaining process. They do not work with the skill of trained technicians.

The big task confronting American business and labor leaders is to change collective bargaining from the abstract legal concept into a practical system for industrial progress. If joint agreements are to prove successful, they must become as natural and as necessary in the plants as materials, machines, sales programs, and all other paraphernalia which form part and parcel of present-day business activity. Unless this can be done, collective bargaining will not pay its way in higher wages, increased dividends, and greater industrial peace, and these are the true test of its worthwhileness.

Group negotiation requires its own technique just as do cost accounting systems, stock room methods, and foremanship training. It cannot take the form of the padded fist or a large dose of bala oil.

Collective effort has not yet, and will not soon, become a universal panacea, for the reason that there are definite groups of workmen who are not interested in this method of improving wages, hours and general working conditions. These are found in small, medium and large plants. They still feel that since they know the foreman, superintendent or manager, they can just coast along and come out on top. Then, there are employers who, law or no law, insist on signing individual contracts. Efficiency experts, industrial engineers, and personnel managers' ideas are very likely to be thrown in the ocean when the plant or industry is organized; therefore, these naturally oppose collective bargaining.

Notwithstanding the legal right to organize and bargain collectively, genuine negotiations are often absent because of the attitude of power complex, of executives or labor leaders. One still holds to the theory of "master and servant" while the other feels that through organization he can force the employer to accept labor's demands, human nature being what it is its transformation will not take place smoothly over night.

The split between A. F. of L. and the C. I. O. has disturbed the ranks of labor and executives generally. Decisions by Labor tribunals in some instances forced the issue before either employer or employee knew what it was all about. For this condition the tribunals have, not been to blame. They have only taken the cases as they were presented. Congress gives the workers the right to organize and bargain collectively; but it does not endow them or their employers with negotiating experience. Workers and bosses must still turn the hard way. Executives and labor leaders, when new at the time, both get panicky when they are confronted with representatives for the other side of a labor dispute. They have mental pictures of dictaphones, dictaphones and other contraptions to trick them to their disadvantage. In fact, one can hardly conceive of greater distrust. Yet there is nothing complex or mysterious. Nothing that a patience, diplomacy, tact, and common sense cannot solve.

Collective bargaining is a sensible substitute for force. It exists, in fact, only when duly authorized representatives of both sides sit down across the conference table and make an honest effort to solve their mutual problems by discussion rather than by force. Back of all negotiations, however, is the potential exercise of economic strength by force, and if negotiations fail, force may, and often does, follow.

I do not want to bore you or assume the position of an expert, but have spent more than thirty-three years in the labor field and could give many examples of why certain negotiations succeeded or failed; but the resultant benefits to employers and workers from genuine collective bargaining; however, since those experiences are now water under the bridge, we will conclude with a few fundamentals.

Collective bargaining is essentially a matter of give and take. If one

expects equity he must be willing to give equity. Stated differently, give the other fellow that to which he is entitled, take only that which is yours.

Negotiation demands a spirit of cooperative effort. The object is to find a solution to your problem and get issues settled. Intelligent negotiation requires information, so one should know the facts and substitute them for bluffing. If one goes to a conference for the purpose of showing someone up or anxious to knock a chip off the other fellow's shoulder, he may quit likely get kicked in the pants.

Recently a prominent professor gave several "Don'ts" which should be remembered by negotiators for both management and workers. These "Don'ts," while not all that one should know, are so apt that I take the liberty of passing them on to any of you who may have occasion to participate in labor negotiations:

"Don't expect to pick roses where you previously have sown ragweed. You're likely to get hay fever."

"Don't rely on lawyers to fight your battles. If you and your wife were trying to decide whether to see Sally Rand or go to grand opera you would not bring in a high-powered attorney to bolster up your choice, for you would know that his assistance would not be worth a damn."

"Don't oversell. True, a super-salesman can make a housewife buy a mop she does not want, but the next time she sees his coming she will kick the door."

"Don't lie. The fruits are temporary, the damage is permanent."

"Don't pull the trigger to see if the gun is loaded. It often is."

"Don't trade too many birds in the bush for birds in the hand. Birds in the bush can be caught."

"Don't forget to pick your receiver before you heave a touchdown pass."

"Don't be afraid to smile when the going gets tough. You'll be negotiating again next week."

"If you are a natural born hitch-hiker, don't be surprised if the rest of the group also soon use their thumbs but in a different manner."

"Don't be afraid to lubricate the machinery a little when it squeaks, and always use a good quality of grease."

"Don't ever forget that the proper way to eradicate a bad practice is to substitute a good one for it. One of the most dangerous things you can do is to take a bad practice out of the picture and put nothing in its place. You will probably be getting something worse than what you took out. You have to have that very definitely in mind."

"Finally, don't regard negotiations as a chore, but rather as an opportunity to accomplish some worthwhile constructive purpose, both for yourself and the other fellow."

In joint negotiations, grievance machinery should be definite, simple and inexpensive, geared to give speedy justice. Delay in settling grievances is responsible for more dissatisfaction and discord among workers than any other one thing.

To those of you who are faced with the problems of labor disputes and rely on collective bargaining, I hardly need to say that it is a rough and ready way to settle differences. You know that as practiced in many places, it is not far above recognized standards of conduct as specified by Queensbury Rules, yet when compared with methods in use in parts of the old world today, it is not so bad after all. And it does have many good possibilities, not the least of which is genuine industrial cooperation, which is its ultimate and legitimate objective.

I thank you. (Applause.)

**PRESIDENT ABEL:** We certainly thank you for this fine presentation of the other side of the picture. Are there any further discussions on the papers rendered this morning? If not, we will go along with the program. The next is Paper No. 7, "Obligations of a Steamship Company in the Delivery of Cargo to Consignee," by Mr. H. C. Cantelow, Manager, Pacific Coastwise Conference, San Francisco, California. Mr. Cantelow. (Applause.)

MR. H. C. CANTELOW (San Francisco): The assignment of this subject was given in the form presented by your worthy President and Secretary, but I have found some difficulty in handling it within the narrow limits given. I shall therefore broaden the subject enough to include a discussion of the functions of the vessel as distinguished from the function of the ocean terminal. I shall also touch upon distinctly separate questions of carriers' liability and carriers' rates for transportation and carriers' charges for service rendered cargo in connection with transportation:

**Obligation of a Steamship Company in the Delivery of Cargo to Consignee**

By H. C. CANTELOW, Secretary-Manager  
Pacific Coastwise Conference  
San Francisco, California

**The Function of the Vessel**

The earliest function of the sailing vessel was to lift goods aboard from lighters at one place, float them to another place, and there lift them overboard to lighters or other small craft. The loading and discharging was performed at anchorages, the cargo being brought to or taken from ship's side by small craft at the risk and expense of the cargo owner. The ocean transportation rate was then earned and the carrier's obligation was terminated as soon as this primary transportation function had been completed at the port of discharge.

The small craft was sometimes owned by the cargo owner but more often by firms or individuals engaged in the lighterage business and employed in that capacity by the various cargo owners. The ship's liability ended and the lighter's responsibility began when the goods had been removed from the cargo sling by the men employed by the operator of the lighter.

The authors of early bills of lading took it for granted that the only service for which the vessel's freight rate was to be paid was the

primary service of floating goods from one harbor to another harbor and that the freight rate did not contemplate or include any services rendered before the cargo had reached the ship's tackle at port of loading or after it had been released from ship's tackle at port of discharge. This is indicated by the text of a bill of lading issued to my father in Boston when he was about to embark for California in 1849. That typical document of the times is interesting and instructive in more ways than one, and its brevity enables me to quote it in full, as follows:

"Shipped, in good order and condition by William Cantelow, on board the good Brig called the *Rudolph*—whereof H. Walker is Master for the present voyage, now lying in the Port of Boston, and bound for San Francisco. To say:

One Tierce  
One hf Bbl  
Two casks

being numbered and marked as in the margin, and are to be delivered in like good order and condition at the aforesaid Port of San Francisco (the danger of the seas only excepted) unto Wm Cantelow or to assigns, he or they paying Freight for the said Goods, at the rate of \$2.50 per barrel with-primeage and average accustomed.

"In WITNESS WHEREOF, the MASTER of said vessel hath affirmed to two Bills of Lading, all of this tenor and date; one of which being accomplished, the others to stand void."

"Dated at Boston, January 27, 1849."

"Signed" HARTWELL WALKER

That is all there is to it. This brief contract seems to have well served the simple needs of carrier and shipper alike until as recently as ninety years ago. I have no record of what it then cost the shipper to lighter goods to the Boston anchorage or from anchorage to shore on arrival in San Francisco Bay, but there is historical basis for the statement that San Francisco lighterage charges often exceeded the cost of freighting from Boston around Cape Horn to San Francisco.

As time progressed it became the universal practice to stipulate in bills of lading the precise point or time at which the carrier's liability for goods would commence and the point or time at which its responsibility would terminate. That was accomplished by the following typical clause:

"The carrier's responsibility, as a carrier, shall not attach until goods are actually loaded and shall terminate without notice as soon as the goods leave the vessel's tackles at destination or other place where the carrier is authorized to make delivery or end its responsibility."

As late as 1849 there was no demand for a definite bill-of-lading stipulation setting out that the agreed freight rate did or did not cover and include costs beyond ship's tackle, such as lighterage to and from vessel's anchorages. It would appear that all informed persons then knew that it was the function of the ship to float goods to the agreed port and the function of small craft to come alongside and float the goods to shore; that the two services were equally essential to the cargo owner and were separate and distinct services for which he should pay.

At a later date arguments arose which caused vessel owners to stipulate, in effect, that where the freighting contract said that goods were "to be delivered in the aforesaid Port of San Francisco" that did not mean delivery on shore or at any other point beyond the ship's tackle. Under some such circumstances the clarifying "ship's tackle" provisions to which I have referred found their way into bills of lading in all countries and in all trades.

If my understanding is correct, I am to present to you the steamship-owner's viewpoint as to whether, under present conditions, his obligation to the cargo owner ceases at the end of ship's tackle or ceases when the cargo is landed at place of rest on dock. Stated in that way the answer would have to be, "that would depend upon the lawful bill of lading and tariff provisions applicable in each specific case." For example, the carrier may enter into a freighting contract under which the shipper agrees to deliver a quantity of sugar to vessel at ship's tackle and agrees that the consignee will take delivery at ship's tackle. In such circumstances the carrier would tender and complete delivery at ship's tackle, there earn its transportation rate, and there terminate its obligation and liability. The same may be said respecting a shipment of bulk copra or other bulk cargo discharged direct with-ship's gear to a shipside hopper or conveyor. Likewise as to all cargo lowered directly to an open-top rail car with ship's gear.

An entirely different situation arises when it comes to dealing in a practical way with a great assortment of general merchandise to be discharged at a public utility terminal from many hatches and

properly segregated and distributed for later expeditious and orderly delivery to numerous consignees and on-carriers to be transported to various final destinations. A practical plan could doubtless be worked out whereby the vessel, in such circumstances, would perform only the service of breaking the various shipments out of the holds and lowering them to the floor of the wharf, the terminal operator, acting for the various consignees, picking the goods up there and handling them to piles for later delivery to consignees or on-carriers. That method would have to be authorized by suitable bill of lading and tariff clauses terminating carrier's obligation or liability at ship's tackle and establishing the status of the terminal operator as that of shipper's or consignee's agent. Delivery would then be complete and carrier's obligation would actually terminate at ship's tackle. As a matter of fact that is substantially the situation today at Havre and Antwerp and other world ports, but it is not the practice on this coast.

**The Function of the Terminal**

I would like to discuss the evolution from small sailing ships to large steamships, and the evolution from lighters to costly public utility ocean terminals. This will serve to more clearly distinguish the function of the terminal from the function of the vessel and should assist in arriving at a better understanding of why enormous sums have been invested in terminals despite the relatively small investment in the superseded lighters.

It has been shown that in the pioneer days shipper's cost of inter-coastal transportation was often less than the cost to him of lightering the same goods from anchorage to shore at San Francisco. It may be safely assumed that toward the close of the copper ship era, and not some time after the appearance of small ocean-going steam-driven vessels, the disproportionate high cost of lighterage had grown into a major shipper's problem at many world ports. Not only was the cargo owner's lighterage cost disproportionately high but the method was burdensome and generally unsatisfactory. His goods were subjected to additional handling and wasteful exposure to the elements. There was no proper opportunity for inspection and the many consignees were not permitted to remove their shipments at their reasonable convenience. As the size of communities and vessels increased the confusion, inconvenience and direct and indirect costs to shippers increased. There grew up a public demand for a greater degree of efficiency on shore and at less cost. The merchants in the communities saw that the answer to their local problem would be



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supplied if the community could provide adequate wharves on water deep enough to permit vessels to come to the shore to load and discharge.

It is too often thought that the deep-water terminal was devised to meet a fundamental need of the vessel owner. The reverse is true. The vessel's primary need has always been a safe anchorage with sufficient water under her and room in which to swing with the tides. The merchants found that they had two primary needs: first, vessels to transport their goods to and from world ports; second, convenient shore-side sheds where their merchandise might be assembled securely and might be protected from the elements and thieves while awaiting arrival of the vessel for which intended; and where imports might be distributed in orderly piles for later removal at intervals convenient to the several consignees.

I do not wish to be understood, however, as holding that ship owners have not benefited by the evolution. Unquestionably the modern terminal better serves the purposes of both the shipowner and the cargo owner. Neither would wish to restore lighters in the port from which they have disappeared. But I do wish to emphasize that the deep-water terminal was at the outset essentially a cargo-owner's facility, as indicated by the fact that today cargo is lightered to and from anchorage at many ports around the world, and in tremendous quantities. My point is that lighterage cost in such ports is borne by the cargo owner and the vessel's cargo handling expense and liability begins or ends at ship's tackle.

**Carrier's Obligation to Deliver Cargo**

The United States Supreme Court has often held that the carrier's undertaking is not only to transport but also to deliver cargo to consignees, because transportation is not completed until the shipment arrives at point of destination and is there delivered. But it would be improper to infer from this that delivery is part of the service which must be rendered for the transportation rate. Those Court decisions in no way suggest or support an inference that delivery must be effected by the carrier without any charge in addition to the transportation rate.

It is difficult for a layman with practical experience in the shipping business to understand how such distinctly different things as "ship's duty to deliver" and "ship's rates and charges for different services rendered cargo" could become confused in anyone's mind; yet there is evidence of such confusion in the important decision handed down by the United States Maritime Commission a few years ago in the so-called Los Angeles "A & D" case. Docket No. 10 is an elementary principle that "the carrier's undertaking is not only to transport but also to deliver cargo." That duty would remain the same whether the basic rate for transporting were \$10.00 or \$100.00; whether it were agreed that the transportation rate would or would not include or cover services rendered cargo beyond ship's tackle; and whether the contract did or did not specify a separate additional charge for the handling services to be performed on the terminal beyond the reach of ship's tackle.

Mr. Chairman, I would like to interject that as this paper was written a number of weeks ago, perhaps I may be considered presumptuous to hold up my judgment against that of the Maritime Commission. But I want to say that a few days ago there came to my attention a copy of docket No. 184, where they almost line for line repudiate the position in docket No. 96 and uphold the views I am advancing here.

The shipowner has freely admitted his obligation to make a delivery or proper tender of delivery, since that is the very essence of his contract of affreightment, but he should always defend his right to distinguish between the service rendered in floating goods from place to place and any other services he may render goods on lighters or on terminals before they are actually loaded aboard the vessel or after they have actually left the vessel. His right to make such distinctions seems to be recognized by our Shipping Act of 1917. There we find a distinction drawn between rates and charges. We find that we only must the carrier's rates be just and reasonable, but his charges, regulations and practices relating to "presenting and delivering property for transportation, . . . and all other matters relat-

ing to or connected with the receiving, handling, transporting, storage or delivery of property," must be just and reasonable. In view of the language employed by the Congress, pertinent parts of which I have just quoted, it is difficult to understand how the administrative body could properly challenge the right of the carrier to establish a just and reasonable rate for transporting goods from ship's tackle at one port to ship's tackle at another port or the right to establish a separate just and reasonable charge for picking up the goods at the point at which they have been received on terminal "for transportation" and "handling" them thence to ship's tackle, or vice versa. The law, reasonably construed, recognizes that neither "storage" nor "handling" is "transportation."

There are several good reasons for such distinctions in the law and in actual practice. The controlling reason seems to be that the shipowner has no voice in shaping the policy of a given City, State, or Country respecting labor relations, working hours, policing and the like, and usually, no ownership in or final control over the many marine terminals served by his vessels or the differing schedules of charges there assessed against his vessel and against cargo. The reverse is true when it comes to the transporting vehicle. The management of the ship is completely vested in her owner. Based on experience he can estimate her operating costs from voyage to voyage with reasonable accuracy, and he controls his basic freight rate-making policy. It is therefore only a part of good management for the shipowner to restrict the services to be performed at his expense, in return for payment of the freight rate, to those services performed aboard his ship, wherever competitive conditions enable him to do so. May I digress to say that unscrupulous and often dishonest competition between carriers has caused many departures from sound transshipping practice and the strangest of these are to be found in trades where the controlling competition is with railroads.

I have failed to discover any basic reason why foreign offshore carriers failed to hold fast to the ship's tackle rate-making principle at all American ports. It was a fixed principle everywhere throughout the lighterage era, and still is where lighterage has continued. It is a fixed principle today in most inland foreign ports around the world.

Perhaps when steamers, cargoes, and terminals increased in size, and the number of shipments per vessel grew proportionately, making it a physical impossibility for each consignee to be at ship's tackle to take delivery of his merchandise, packages to pick up, as fast as discharged, shorewards became confused about their obligations and rights. At any rate, it is certain that some time after deep-water terminals replaced lighters along the Pacific Coast, carriers in many trades drifted into the practice of absorbing the cost of handling goods from tackle to pile or terminal, though they made no corresponding change in their ship's tackle bill of lading or terms. All that was required to reestablish the ship's tackle principle in foreign offshore trades was a series of suitable bills of lading and freight bills of lading by which the carrier, as a contractual matter, reserved the right to perform the further service of removing goods from ship's tackle to pile or terminal, and the right to assess and collect for that in return a charge in addition to vessel's transportation rate. As you will recall that was accomplished about three and a half years ago. Whether the carriers exceeded their lawful rights in thus breaking their total charges into two sums, one for transportation and the service on the terminal is yet to be determined by the Commission in proceedings now pending.

May I insert again a comparison arising in my desk and dealing with a docket number of which I do not recall. It has to do with handling charges assessed in foreign trades at all points from San Diego to Vancouver, B. C. They sustained my position. I have maintained from the start with reference to the right of the carrier to name his charges in two sums. They denied a whole host of shipper's their claims or reparations where claims had been entered to recover the amounts of the forty per cent handling charges over a period of three and a half years, they were able to recover it under the statute of limitation. In other words, both were with respect to the inter-coastal trade and foreign lines in all trades of ship's tackle bill of lading, the carrier to name his transportation rate in a separate bill of lading, and the ship's tackle to pile on dock was named by the Maritime Commission in the last few weeks.

Let me say, in closing, that the carrier's obligation to make a delivery or proper tender of delivery has never been disturbed by the carriers in any proceeding in which I have participated, and I repeat that that is the carrier's duty whether or not a separate charge is levied.

used for the handling service performed on the terminal in making goods available for convenient and efficient delivery to consignee.

Thank you (Applause.)

**PRESIDENT ABEL:** We certainly appreciate the expert handling you have given the subject. It is refreshing to have a man of Mr. Cantelow's experience discuss this subject.

We have a discussion of the Paper No. 7 which Mr. Cantelow just rendered, a discussion by Arthur Eldridge, General Manager, Port of Los Angeles, Los Angeles, California. Mr. Eldridge. (Applause.)

**MR. ARTHUR ELDRIDGE (Los Angeles):** President Abel, Mr. Cantelow, and gentlemen of the Convention:

I accepted the preparation of this paper with a little tentativeness when I realized the experience he had and the little I had. But I have tried to cover it from a little different viewpoint.

#### **Obligation of a Steamship Company in the Delivery of Cargo to Consignee**

*Discussion by ARTHUR ELDRIDGE, General Manager  
Los Angeles Harbor Department  
Los Angeles, California*

First, preliminary to discussion, permit me to compliment Mr. Cantelow on his presentation of a splendid paper ably prepared and factual to such a degree as to leave but meager opportunity for disagreement or variance of opinion, except in the possible difference between legal or moral obligation of the carrier to quote an all-inclusive transportation rate or the carrier's right to levy segregated charges for (1) the normally required handling and assembling of cargo for convenient receipt or delivery between ship's tackle and point of rest on wharf, and another for the freighting of cargo from port of receipt to point of delivery.

The relationships, duties and obligations as between capital and labor, employer and employee, buyer and seller, supplier and user, and yes, shipper and carrier, have advanced far and changed greatly in recent time, and it is, I believe, extremely impractical to attempt to define a carrier's obligation in delivery of cargo to consignee today based upon the interpretation and universally accepted obligation of a few short years ago.

When the terminal of today was unknown and lightering from ship to shore prevailed, it was hardly to be expected that the shipper or receiver could personally or by a normal representative deliver direct to ship or receive direct from ship, his cargo; nor could the steamship operator of those days be expected to maintain a lighterage service in each port of call, and it was essential that third parties participate in the transportation movement, and it naturally followed that the ship's obligation was assumed upon receipt at ship's tackle and its obligation terminated when discharged at ship's tackle, and as the carrier had no further interest in its delivery a separate charge was made by each party for his respective service.

However, with the advent of modern, up-to-date terminals, which, regardless of what originally motivated its development, is today of as great a benefit, convenience and practical necessity to the present-day ship operator as to the shipper, a changed picture presents itself. When the shipper delivers his cargo to the terminal of embarkation, he delivers it, in most instances, to the steamship operator or its agents and obtains receipt therefor, and its assemblage and efficient loading to the ship upon the ship's arrival should, from that time on, be an obligation of the carrier at carrier's expense for all cost of transporting and handling required to make convenient delivery to consignee at destination. The United States Supreme Court, as pointed out by Mr. Cantelow, has frequently held that the carrier's undertaking is not only to transport, but also to deliver cargo to consignee, as transportation is not completed until the shipment arrives at point of destination and is there delivered.

In establishing and publishing freight rates, it is common practice to quote different rates on the same commodity when shipped in (1) bulk, (2) crated, (3) in box, etc. Now if cargo subject to different modes of shipment receives different rates and the rate maker, in arriving at his rate, takes these various factors, including space required, convenience in handling, liability to damage, etc., into consideration, then it is logical that the same theory and principle should apply in establishing a rate that fully recognizes the transportation cost of a freight rate covering receipt from consignee to delivery to consignee whether made at ship's tackle, when that mode is practicable, or from point of rest on wharf, when that is the practical method.

It is likewise common practice for water or rail carriers to quote a through rate between foreign ports and our inland territory—all terminal charges, including car loading or unloading at point of transfer from water to rail, being absorbed by the carriers—and it seems just as logical to me to be the obligation of the water carrier to establish a tariff rate which includes handling and transportation from receiving point at terminal of embarkation to delivery point at terminal of destination, and the shipper has the right to assume that published rates for transportation cover this service.

The Legislative bodies of many states, and the Congress of the United States in the adoption of acts creating Commissions—such as Railway Commissions, The Interstate Commerce Commission, The Maritime Commission, etc.—to regulate within their prescribed jurisdictions the operations of public carriers, impose upon the carrier the obligation in publishing its tariff to establish reasonable and uniform rates and insure the observance thereof by prohibiting in their application discrimination and rebates.

This theory certainly implies the obligation of the carrier transporting cargo under the same type of bill of lading to include in its published rate the same inclusive service at each of its respective ports of call where terminal facilities are at all comparable. Certainly in all fairness the carrier's obligation could not be deemed to cease at ship's tackle at Port "A" and at tailgate of consignee's truck at Port "B," yet this has been assumed by carriers in the past to be their vested right, resulting in much confusion in the minds of the shipper and what appears to many Port Authorities as unjustified discrimination as between ports. I can conceive of no better method of correcting this evil and eliminating the shipper's confusion than to recognize the carrier's obligation as commencing with convenient delivery to it at shipping terminal and ceasing only with convenient delivery at destination terminal for the published tariff rate.

Were it feasible and practical in the handling of the majority tonnage of general cargo movements—considered either from the standpoint of carrier or shipper, or jointly—to efficiently and economically accept or make delivery at ship's tackle, other than through a third party arrangement, I might reconcile myself to subscribe to the ship tackle theory, but visualizing the resultant confusion—lost time and motion—inconveniences—delays in sailing—traffic and terminal congestion, and the hundred and one hindrances and drawbacks from such attempted acceptances or deliveries in mass movement with the multiplicity of various cargoes and shippers, it is inconceivable that any carrier operator would consider, without a third party arrangement, such operation, and if a plan is not feasible or workable what justification is there for attempting to recognize it and insisting on establishing rates on such basis? The mere fact that recognized ports will exist where deep-sea terminals are not available and old methods of loading and discharging must be employed and rates are therefore based on delivery and receipt at ship's tackle, does not warrant employing similar basis of rate making between ports with modern terminals when the antiquated methods cannot efficiently function.

I have no knowledge as to the component factors considered by the water carrier in establishing current water rates, or as to the adequacy thereof, but the more thought I give the question the more convinced I become also the carrier's duty to consider transportation as defined by the Supreme Court as completed only upon delivery, and to accept the obligation of establishing one tariff rate to cover (Applause.)

**PRESIDENT ABEL:** Thank you very much, Mr. Eldridge, for this fine discussion you have given to Mr. Cantelow's paper. Are there any further remarks on the subject from the floor? I note we have with us this

afternoon Colonel John C. Lee, United States Army, Division Engineer for the Pacific Northwest. Colonel Lee, will you take a bow?

Colonel Lee rose and was applauded by the Convention.

The next paper on our program is Paper No. 8, "Uniform Cost Accounting for Ports and Marine Terminals," by Dr. Ford K. Edwards, Transportation Economist, California Railroad Commission. Dr. Edwards is very well qualified to discuss this subject, and we are happy to have him with us. Dr. Edwards, will you kindly come forward? (Applause.)

DR. EDWARDS (San Francisco): When your Chairman speaks of being well qualified it reminds me of a definition of an expert, a man who had come from a long distance—the longer the distance he had come the better the expert he was.

I can't quite qualify as being fully expert on this problem, first, because I haven't been steeped in it like you gentlemen, and secondly, I have only come from San Francisco, but I shall endeavor to do the best I can.

I might say in introduction that I think that the programming of my paper to follow Mr. Cintelow's and Mr. Eldridge's remarks was very fitting. It reminds me of the problem I faced three or four years ago with the Commission when we were making marine studies of problems in the Bay Area and the matter boiled down to who should pay for what, and what the vessels and shippers should pay. After talking with the vessel operators we gathered that the vessel's responsibilities ended two miles off shore, and after talking with the owners we gathered the impression that the responsibilities ended about two miles up town.

### Uniform Cost Accounting for Ports and Marine Terminals

By DR. FORD K. EDWARDS, Transportation Economist  
California Railroad Commission  
San Francisco, California

Before launching into my topic I wish to express my appreciation for the courtesy which the Pacific Coast Association of Port Authorities has accorded me by inviting me to speak before this Convention. I sincerely appreciate the honor.

I should also state that inasmuch as this subject is not only one that is somewhat technical and involved, but also one that is obviously not going to be decided at this meeting, I shall limit this paper to the more obvious highlights of the subject. In any event, the uniform classification of accounts and cost-finding formula attached hereto are sufficiently self-explanatory to permit of a subsequent digesting.

#### Why Uniform Cost Accounting?

Any discussion devoted to the subject of uniform port accounting must necessarily first satisfy the pertinent question—"Why Is Uniform Cost Accounting Desirable?" The topic has no significance until one has satisfactorily answered this question. Then, and only then, is it permissible to turn to the "How" of Uniform Cost Accounting.

A primary function and purpose of all disbursement accounting has been that of providing the management of an enterprise with the necessary financial control over the expenditures and the budgeting of funds. This applies equally to ports and terminals as well as

to any other types of business. The general observation may be made that after reviewing the classification of operating expense accounts currently maintained by several of the principal ports on the Pacific Coast, it appears that the current accounting practices of most ports bodies satisfactorily meets this test.

A second function of disbursement accounting, and one heretofore of minor significance, is to permit of the determination of the cost incurred in the rendering of the respective services furnished the vessel and the cargo. The importance of this function depends, of course, upon the degree to which one recognizes cost as a factor in rate making.

In principle, at least, three primary factors govern port rates: namely: (1) the cost of providing the service, both as to individual services and in total; (2) the ability of the user to pay; and (3) competition with other ports or terminals.

Under highly competitive conditions Items No. 3 and No. 2, in order, are, probably the guiding factors, with costs, particularly in costs for individual services, being given little weight. However, when competition has run its course and been brought within some restraining bounds the inevitable tendency is for rate bodies to seek more stable standards or guideposts to rate making. Historically it is at this stage that the cost of providing the respective services becomes of interest or concern. There are indications in the port and marine terminal field that this stage is being approached. This does not mean, of course, that costs will or should become the sole factor in rate making without regard to the other factors. It does recognize, however, that a knowledge of one's costs portends a more intelligent and rational approach to the subject of rate making than is otherwise possible.

The discussion herein deals with the subject of uniform cost accounting solely from the standpoint of making such costs uniformly available for rate-making purposes. Most port accounting systems today probably meet all other managerial needs for budget control, especially as comparisons between ports, are not here a factor.

#### The Accounting Problems Are of a Minor Nature

Consider now the accounting problems involved in cost finding for rate-making purposes.

Two problems arise. The first concerns itself with the sufficiency of the accounting detail to reflect the cost for each service rendered. The second involves the problems of making such costs comparable with those of other terminals. While this latter feature is not an absolute necessity, without it the usefulness of the data in the development of uniform port charges is sharply limited.

Neither of these problems, however, is of any great concern, for it is probable that the accounting data now maintained by most of the ports or terminals is of sufficient detail to permit of the desired cost finding. It is immaterial whether such detail appears in the published annual reports or remains in the underlying accounting papers as long as it can be made available to the analyst without undue time and expense.

The point should be made at this time, however, that any accumulation of the costs by primary accounts or sub-accounts should be orderly and consistent and obviously self-explanatory. The writer has found it necessary on occasion to practically audit terminal accounts to satisfy himself as to what they contained. This should not be necessary.

#### Principal Problem—Each Port Speaks a Different Language in Assessing Charges

The fundamental problem and chief stumbling block in uniform port cost finding does not rest so much upon the "why" or "how" of cost finding but as to the nature of the services which costs will be found. All ports and terminals do not speak the same language when it comes to assessing port charges. In the first place, a given service at one port does not bear the same tariff designation as it does at another port. What one port terms as a toll another terms as wharfage, and what one terms as wharf demurrage another may term as shipside storage, or may even eliminate in greater or lesser degree through an extended free-time period.

Even more serious, however, is the fact that the expenses which one port expects to recover in the form of dockage charges or tolls at another port recovers through the assessment of pier rentals or wharf charges. One port places the burden of its support principally against the vessel, another against the cargo. Hence, cost comparisons be-

two ports can have no valid meaning unless, and until a standard nomenclature covering "services for sale" is agreed upon or at least fairly understood. The problem does not arise where a terminal is interested in cost finding in terms of its own tariff services, but it is extremely pertinent where comparisons with neighboring ports or terminals are desired.

*Procedure Followed in Railroad Commission Study of 1946.*

The extensive marine terminal study made by the Railroad Commission of California in 1946 ran squarely into this problem. One of the issues at stake was the reasonableness of the tariff charges of the private terminals for dockage, tolls, wharf demurrage, service charges (i. e., clerking the cargo), car loading, etc. Cost studies were started, but these soon reached a blank wall until a uniform definition of terms was established. It was obviously impossible to arrive at the cost of dockage until one had determined what the concept of dockage embraced in terms of square feet of pier. Furthermore, the definition had to be sufficiently specific to permit its being expressed in actual square feet of dock space upon any type of wharf structure encountered. The cost of "dock" was also meaningless until one sharply defined what the term embraced and converted it into square feet of wharf structure, sheds, roadways, etc. The result was that the cost study was held up until, as explained in the Commission's final report, dated May 16, 1946, a decision was reached as to the precise meaning and interpretation of each tariff item. This in turn demanded, of course, that the obligations of the vessel versus those of the cargo be defined. The conclusions reached in this regard were arrived at after a study of port tariff provisions, steamship tariffs and bills of lading, divisions of the United States Shipping Board Bureau, local port practices, etc.

The costs assignable against the vessel were reduced wholly to dockage charges and service charges (i. e., clerking the cargo, where the vessel does not maintain its own terminal organization) plus occasional miscellaneous items such as handling lines, rental of office space, etc. The costs assignable against the cargo were reduced solely to tolls except, of course, for such accessory services as wharf demurrage, car loading, weighing, etc. Subsequently the total costs for each service were further reduced to an appropriate unit basis, such as the cost per ton, the cost per berth occupancy, etc. When this had been accomplished the costs as between ports were finally reduced to a comparable basis.

*Costs May Be Computed on One Basis and Converted to Another Basis for Rate-Making Purposes.*

The above treatment does not mean, of course, that the tariff charges must necessarily be based upon the same units as those in which the costs were originally computed. Such may not be possible, for several reasons. For example, the Railroad Commission study found that the total cost of providing dockage facilities at certain private East Bay terminals in Oakland and Alameda exceeded the tariff charges for dockage at the competitive port of San Francisco. The reason was that at the East Bay terminals all charges against the vessel for the use of the wharf were grouped under the single item of dockage, while at San Francisco such charges were broken down into two parts, namely, dockage and pier rentals. In the case of San Francisco, the term dockage obviously had a much more restricted meaning from the standpoint of cost finding.

As it was not found desirable, for competitive reasons, to increase the East Bay dockage rates above those for San Francisco, the dockage rates were established at approximately the level of those of the latter. The annual deficiency in revenues that would result therefrom was computed and reduced to a per-ton basis (tons loaded and discharged) and added to the vessel service charges (i. e., clerking costs). The total resulting charges assignable to the vessels were not changed because of this treatment.

It is apparent that the analyst who tries to make cost comparisons between different ports without going back to a standard and uniform definition of terms will find himself inevitably faced with the troublesome, though by no means insuperable, problem here illustrated. In approaching such problems the analyst must obviously have a clear concept of the specific items of port expense, which any given tariff item should reasonably be expected to cover.

*Proposed Classification of Accounts.*

In order to illustrate the amount of accounting breakdown which is desirable for cost-accounting purposes there has been set up here-with a suggested classification of accounts. It should be reiterated, however, that it is a matter of indifference whether the detail shown

below is accumulated by primary accounts, by sub-accounts, or left in the form of a subsidiary recap in the supporting papers. The important thing is that it be available or be capable of derivation by the analyst upon reasonable study. The grouping of depreciation, taxes, or insurance by individual structures would fall in this last category. The following list assumes, for purposes of illustration, a port property with two wharf units.

I present in two wharf units, because in my hypothesis of classification of accounts I have used only sub-type and sub-two. If a port is of individual structures as indicated in the following paragraphs, one could use numbers, or rather, sub numbers running down to per cent and number desired. I don't think it necessary for me to read those, they cover all phases of port operations, and I would say in this position, in the preparation of this paper I contacted most of the port authorities on the Pacific Coast and asked them to forward me their classifications of accounts, and I find most of the books keep a breakdown in as great a detail as shown here except possibly on the general and administrative account. In many cases they keep even a greater breakdown than is here indicated.

## I — Maintenance of Waterways and Structures

- 101 — Superintendence
- 102 — Engineering
- 103 — Dredging
- 104 — Maintenance Wharves and Substructures (by structures)
  - 104.1 Unit No. 1
  - 104.2 Unit No. 2
- 105 — Depreciation Wharves and Substructures (by structures)
  - 105.1 Unit No. 1
  - 105.2 Unit No. 2
- 106 — Maintenance Transit Sheds (by structures)
  - 106.1 Unit No. 1
  - 106.2 Unit No. 2
- 107 — Depreciation Transit Sheds (by structures)
  - 107.1 Unit No. 1
  - 107.2 Unit No. 2
- 108 — Maintenance Trackage Facilities
  - (Other than those embraced in the wharf structures)
- 109 — Depreciation Trackage Facilities
  - (Other than those embraced in the wharf structures)
- 110 — Maintenance Roadways and Trucking Areas
  - (Other than those embraced in the wharf structures)
- 111 — Depreciation Roadways and Trucking Areas
  - (Other than those embraced in the wharf structures)
- 112 — Insurance on structures
  - 112.1 Unit No. 1
  - 112.2 Unit No. 2
- 113 — Maintenance of Fire Equipment (Mobile Equipment)
- 114 — Depreciation of Fire Equipment (Mobile Equipment)
- 115 — Stationery and Printing
- 116 — Taxes, Property
  - 116.1 Taxes on Structures and Facilities
  - 116.2 Taxes on Land
- 117 — Rentals Paid
  - 117.1 Rentals on Structures and Facilities
  - 117.2 Rentals on Land

## II — Dock Operation

- 151 — Superintendence
  - (Clerking)
- 152 — Checking Cargo
  - 152.1 Checking cargo to or from vessel
  - 152.2 Checking cargo to or from skipper (or consignee)
  - 152.3 Checking cargo to or from Demurrage
  - 152.4 Checking cargo Account Car Loading
  - 152.5 Checking cargo Account Car Unloading
  - 152.6 Checking cargo, Other
- 153 — Making out Ship's Papers
  - (Dock Labor)
- 171 — Assembling cargo for vessels account
- 172 — Car Loading
- 173 — Car Unloading
- 174 — Handling and High Piling Account Demurrage
- 175 — Handling Lines
- 176 — Weighing
- 177 — Stenciling
- 178 — Re-coopering
- 179 — Miscellaneous labor for which cost plus charge assessed

### (Miscellaneous Dock Expenses)

- 181 — Cleaning sheds and docks
- 182 — Watchmen
- 183 — Power for dock use
- 184 — Power for sale
- 185 — Water for dock use
- 186 — Water for sale
- 187 — Claims
- 188 — Car Demurrage
- 189 — Absorptions
- 190 — Insurance, cargo
- 191 — Insurance, compensating
- 192 — Telephone
- 193 — Stationery and Printing
- 194 — Taxes, Payroll

### (Dock Equipment)

- 201 — Car loading equipment (supplies, repairs, depts.)
- 202 — Weighing equipment (supplies, repairs, depts.)
- 203 — High piling equipment (supplies, repairs, depts.)
- 204 — Tractors and Trailers (supplies, repairs, depts.)

### III — Other Port Operations (Non-Terminal Operations)

- Warehouse Producing Power Sold
- Grain Elevator Stevedoring
- Terminal Railroad Operations Other Operations

### IV — Traffic Expenses

- 301 — Superintendence
- 302 — Solicitation
- 303 — Rate Adjustments and Tariff Publication
- 304 — Dues and Subscriptions
- 305 — Stationery and Printing
- 306 — Other Traffic Expenses

### V — General and Administrative

- 351 — Salaries and Expenses — General Officers
- 352 — Salaries and Expenses — General Office Clerks
- 353 — Accounting and Billing
- 354 — General Office Supplies and Expenses
- 355 — Legal Expenses
- 356 — Pensions and Relief
- 357 — Insurance, General
- 358 — Stationery and Printing
- 359 — Taxes, Office-Payroll
- 360 — Office Equipment (supplies, repairs, depts.)

In addition to the above, certain other basic data would be necessary, as follows:

1. Valuation of each substructure
  2. Valuation of each superstructure, i.e. sheds
  3. Valuation of the land
  4. Working capital normally maintained to meet day-to-day current obligations
  5. Valuation of dock equipment (tractors, etc.)
- Certain statistical data are needed depending on how far one carries the study. They include the following:
1. Dock office areas and rental areas (square feet)
  2. Tonnage at each pier unit:
    - a. Loaded or discharged by pipe line
    - b. Bulk cargo loaded direct to or from rail cars
    - c. General cargo loaded direct to or from rail cars
    - d. General cargo moving through transit sheds
  3. Total tonnage received on wharf demurrage
  4. Total ton-months of storage
  5. Tons on wharf demurrage receiving high piling
  6. Tons handled in car loading
  7. Tons handled in car unloading 8. Tons weighed
  9. Hours consumed in stevedoring, re-coopering, handling lines

A fundamental prerequisite of cost accounting is that the costs, and particularly labor costs, be directly accumulated as far as possible rather than derived through arbitrary apportionments. A too generous use of the latter may readily distort the accuracy of the study. It might be noted that there exists a "happy medium" in the accumulation of the above data. A too detailed publication of expenses and statistics which are but seldom used constitutes an unnecessary burden and expense. On the other hand an undue sparsity of data requires the analyst to practically audit the accounts to derive the needed costs. Both are equally undesirable. Where a port or terminal does not pro-

vide the full cargo clerking services or accessory services shown, the needed accounting data are accordingly reduced.

From a review of the current accounting practices of most of the ports and terminals it appears that very few changes in accounting practices would be required for cost study purposes. In fact, it is probable that a reasonably accurate cost study as outlined in the formula to follow could be made for most of the ports on the basis of present accounting practices. The data not currently available can be developed from the underlying documents or by test studies.

### A Port Cost Finding Formula for Rate Making Purposes

A cost finding formula is, generally its own best description; at least it tells the story better than mere words can ever do. Furthermore, one cannot develop the desired accounting data without first running through a formula to see what breakdown of the costs and statistics one will need. For these reasons it was felt desirable that the subject be carried through to its conclusion by developing the accompanying formula and incorporating it as a part of this paper.

It is patterned after that developed by the Railroad Commission of California in Case No. 4090—re Investigation of Marine Terminals in the San Francisco Bay Area. During the course of this latter study a series of principles were developed (as noted hereinafter) for the division of terminal costs between the vessel and the cargo, and the principles then established have been carried forward into the accompanying formula. While the subject of apportionments is too voluminous for presentation here, many of the basic principles and findings have been more or less sketchily referred to in the footnotes to the respective schedules of the formula. For those desiring to pursue this phase of the subject cross-references have been provided to the pertinent sections of the Commission's study.<sup>(1)</sup>

It should be noted that whereas the available copies of this report are now limited, copies are undoubtedly in the files of all members of this Association. Incidentally, the thought might here be advanced that the matter of the division of port or marine terminal costs between the vessel and the cargo is a subject worthy of future papers by this Association.

During the Commission's investigation a formula, similar in principle to that accompanying this paper, was applied to four private terminals on San Francisco Bay. A most time-consuming phase of this application was the necessity for the analyst to become familiar with four different sets of accounts to the end that the resulting unit cost figures could be kept on a comparable basis. Any standardization in this direction is highly desirable. Aside from this feature, all it takes to make an application of the accompanying formula is a generous supply of large, well-ruled paper, a half dozen pencils and a good pencil sharpener.

The accompanying formula is in a streamlined form for guidance purposes and would have to be expanded in the case of a port operating more than two wharf units or offering services different from those enumerated. As it is largely self-explanatory no further explanation need be made concerning it at this point.

In closing I express the hope that this paper may have served to throw some added light upon the subject of uniform cost accounting.

In the light of the Shipping Board's decision that Mr. Cantelow not quoted—I haven't read it—it might conceivably be that we would have to shift our emphasis on the cost for the Commission purposes, the charges laid against the vessel, the expenses laid against the vessel covered all properties necessary to the docking of the vessel up to and including the point of rest, which on general cargo included the charge against the vessel for the use of the shed in reaching the point of rest within the shed. In other words, a portion of the road or aisle ways within the structure, such charges being pro-rated on the square-foot basis, on the cost of maintaining such structure. In the case of most industries the Commission has prescribed a uniform classification of accounts and of course has prescribed what should go into those accounts so when we make a cost study on any utility or transportation agency, where such accounting classification has been prescribed, we know in advance what to expect to find in each account. In the case of the marine terminals, of course, there is no uniform classification, and I have endeavored to set up what might be the cost analyst's dream of what he would like to find if he were making a cost study of all the ports.

I might say that the public port bodies, I have found, keep a much greater detail in their accounting set-up than have the private terminals.

<sup>(1)</sup> See Final Report of the Transportation Department, Engineering Division, by E. Edwards and D. H. Edwards, dated May 19, 1916, Case No. 4090—Marine Terminal Investigation.

inals whose costs today the Commission had to work with in the studies of three or four years ago.

I see, Mr. Chairman, that you have anticipated my thought there on the subject matter of that paper—the division of the charges or where the responsibility begins and ends. I might add, however, a decision in one's mind as to what a ship's tackle or point of rest is, where the dividing line should be, as to what should be charged against the cargo, and what should be laid against the vessel. (Applause.)

**PRESIDENT ABEL:** Thank you very much, Dr. Edwards, for your splendid presentation and analysis of this subject. It is a very important one for all terminal operators. I feel that Dr. Edwards has given a great deal of time and thought to this paper, and I hope you all will study it and profit therefrom.

We have a second paper on this subject, a discussion of Dr. Edwards' paper by Mr. H. D. Fadden, Traffic Analyst of the Port of Seattle, Seattle, Washington. Mr. Chapman has consented to present Mr. Fadden's discussion. Mr. Chapman. (Applause.)

**MR. H. P. CHAPMAN** (Seattle): President and gentlemen:

I have a great deal of respect for Mr. Fadden. You who know him will know he is very technical and he goes to some length to explain some particular point to a problem. My respect for Harry has increased greatly because I noticed he uses some phrases here that Dr. Edwards used.

#### **Uniform Cost Accounting for Ports and Marine Terminals**

*Discussion by H. D. FADDEN, Traffic Analyst*

*Port of Seattle  
Seattle, Washington*

Dr. Edwards, in his paper, "Uniform Cost Accounting as Related to Ports," has outlined a method, proposed a classification of costs, capable of infinite expansion in all directions and has worked out a formula for the determination of port or marine terminal costs for rate-making purposes. In the report and recommendation to the California Railroad Commission in C. R. C-4090, he has shown the results of the practical application of such system to cost accounting at private terminals at the Bay Ports. In all this he has done a tremendous amount of research work and study of marine terminal cost of rate problems. He has shown us the way. It remains to be seen if, anything, we are going to do about this very essential phase of marine terminal operation.

I believe all of us on the west coast feel, with considerable pride, that we have been leaders in marine terminal operating methods. We are, however, woefully deficient in our methods of cost finding and our accounting for rate-making purposes. Anyone who has had to work out rates for terminal services, that might have to stand up under investigation by competent examiners, will appreciate the advantages of a system of cost accounting that includes all expenditures properly allocated. Anyone who has listened to discussions of rates by terminal operators is aware of the diverse opinions as to what expenses are included in any particular service and can appreciate the advantages of comparing costs based on some uniform method of allocation.

For those who have given little thought to the subject, or are dubious as to the necessity, or who feel that the game is not worth the candle, I can do no better than quote from the report of the Federal Trade Commission on this subject made in 1916: "The purpose of conducting a business is to make money, and the only way to make money is to sell something for more than it costs. The first essential, then, is to know the cost. It is the belief of the Commission that the small margin of profit existing in so many of our industries is due to the ignorance on the part of the manufacturers of what their goods

actually cost to produce. This ignorance causes them to make unprofitable prices, which the manufacturer who does know has cost a forced to meet to a large extent."

"In the minds of business men who have not installed cost systems there are a number of objections to taking the matter up. One of these is the feeling that exists in the minds of so many that their business is unique and different from any other and that no system could be devised which would give them true costs. It is unquestionably true that some lines of manufacture lend themselves more readily to the installation of a cost system than others, but it is also true that no line of manufacture is so complicated that a system cannot be devised which will give reasonably accurate results."

"The most common objection is that of the cost of installation and expense of operation. Many manufacturers are of the opinion that a cost system means an interminable amount of detail and red tape, and the assistance of a number of extra clerks. It is true, in many cases, that some extra labor may be required, but not to the extent that the manufacturers fears."

"Other business men are of the opinion that they do not need a cost system because they know what their goods cost. They may, and a number of them do, have an approximate idea of what their goods cost, but in a large number of instances this supposed knowledge is based on foremen's guesses. Guesswork is unsafe and poor business practice."

"The Commission is urging manufacturers to determine their costs accurately in the interest of better trade conditions. It believes that anything that is of benefit to an industry is of benefit to the public, and it is also of the opinion that the nearer cost systems approach uniformity the more valuable will be the results."

What applies to manufacturers dealing in tangible commodities applies with equal if not greater force to the terminal industry dealing in intangible services, and before any great advance is made toward uniform cost accounting and uniform classification, allocation and nomenclature of port terms a great deal of prejudice must be overcome.

Dr. Edwards' classification of accounts, and formula are made to cover operating conditions at the Bay Ports. Whether or not they can be applied by simply altering firms to fit conditions on Puget Sound and Columbia River only careful study and application will determine. From such casual study as I have been able to give the system and from his report to the California-Railroad Commission I find that he is aware of practically all of the problems with which we have to contend in our study of costs for rate making.

After all the cost of constructing a pier or warehouse of similar type in California is comparable with the costs of construction in Washington or Oregon. You pay about the same scale of wages for the different classes of labor in the Bay region that we do in the North. You depreciate your properties at about the same rate, your insurance runs the same range of rates, and so far as I have ever been able to ascertain the total cost of moving goods across one of your piers or handling goods in and out of a warehouse, together with storage and other expenses incident to terminal service is about the same at any port on the Pacific Coast. It is, then, not so much a matter of radically changing methods of operation in an impractical manner as it is to adopt a uniform system of classification and allocation so that the elements of any combination of labor or expense which constitutes a service, regardless of what that service is called, will be known. Because of the different methods of operation and the different ways the charges are split between parties, the classification of direct labor would necessarily require great detail. Other expense, as Dr. Edwards points out, could be classified and allocated without material changes in the present accounting systems.

Let me cite an example to illustrate my point. In San Francisco the "Tolls" or "Tolls-Wharfage" is defined as "the charge for cargo conveyed on, over or through any state structure—the charge, with exceptions, is 15 cents per ton. In Seattle, wharfage is defined as the "charge that is assessed on all freight passing or conveyed over, onto or under wharves, etc." and the charge on general cargo, with exceptions, is 50 cents per ton. The definitions for the services are practically the same, yet it is manifest that the Seattle wharfage includes services not included in San Francisco's Tolls-Wharfage.

Both "Tolls" and "Wharfage" are evidently charges for the use of wharf facilities, but without a breakdown of the elements included in such use how are we to understand each other when we use the terms? We simply talk unintelligible lingo at each other and to the shipping public. Further, without a system which gives us the cost of

the different elements comprising "Tolls" and "Wharfage" we do not know, nor can we defend the sufficiency of the charges.

Assuming that terminal operators as business men are in the business to make a profit, and that services below cost are taboo, then competition would be a matter of division of charge between cargo and carrier or the ability of one port to do for a profit the same services at less cost than another port. Neither of these factors is a barrier to uniform cost systems and should weigh little in comparison with the advantages of a better understanding of what our services are, how much they cost and the ability to understand each other in discussing the terms which we apply to services.

The terminal industry has become more complicated each year, involving many items of service besides the simple handling of transit cargo across a pier. We have at our Spokane Street terminal, in addition to the regular transit service, ordinary and bonded dry storage, cold storage, fresh fish freezing and storage facilities, ice manufacturing and storage, industrial leases and space rentals. All of these services are, as you might say, under one roof. There is a constant commingling of labor and area in the uses of the facilities. Outside of the usual difficulties we all experience in getting proper allocation of direct labor costs from terminal men in charge of time sheets, there is no great difficulty, except in the amount of work involved, to obtain from accounts as set up by our accounting force, fairly accurate distribution of general expense as bases of costs for ratemaking purposes. Doctor Edwards found the same conditions in his investigation of various private terminal accounts in the Bay Region.

Manifestly a cost system that will arrange our accounts not only for budgeting purposes but will reduce to a minimum the apportionment process will be a great advantage, and if such system can be made uniform, even for limited port areas, it will make a big advance over the present methods of cost finding and cost accounting. The work that Dr. Edwards has done will be of incalculable value, I am sure, if and when the terminal industry is ready to accept uniform cost accounting as a necessity. (Applause.)

**PRESIDENT ABEL:** Thank you, Mr. Chapman, for presenting Mr. Fadden's discussion. Mr. Fadden has given us material for thought. In connection with this matter of cost accounting, we will have a word from our Secretary, Mr. McCarl.

**SECRETARY MCCARL:** You will notice on the program that Mr. T. G. Differding, Mahager, Traffic Department of the Oakland Chamber of Commerce, was scheduled to prepare a written discussion. Mr. Differding, who assisted Dr. Edwards in the study a short time ago of Terminal Costs and Charges, just informed me yesterday that, due to the enormous amount of work involved in rate cases before regulatory bodies which required his attention, it had been impossible for him to prepare his paper. He stated he fully concurs in everything Dr. Edwards set forth in his paper, and also what Mr. Fadden had to say in his paper.

I might state that in connection with Dr. Edwards' paper, he made reference to a formula which accompanied the paper. That formula has been reproduced at considerable expense, and we have placed one copy in separate envelopes for each port. The envelopes are addressed and are available at the desk. If any additional copies are desired, please leave your name at the Registration Desk and we shall try to supply them if you don't ask for too many. The formula isn't very interesting reading but very valuable, and you can use it better at home than here.

Just a few remarks of my own in connection with this matter of cost study.

I think we have all been too prone to ignore entirely or give too little weight to the most important item of rate making, namely, the cost of service performed, and have given too much weight to the other two factors—competition and what the traffic will bear. We know that competition and what the traffic will bear will have to be taken into consideration and play an important part in the matter of rate making, but not nearly to the extent the cost of the service performed should play.

In the matter of competition, where there are two or more services between various originating points and points of delivery, it is naturally necessary that one company meet the rates of its competitors to stay in business, but as working together and giving more consideration to the matter of cost, I think they can all save themselves a lot of money and obtain additional revenue. Further, in regard to competition, the location of cost-intensive industries often affects the charges which can be assessed for the transportation of goods. Take cement, for example. In the case of a plant located in Oakland and one in Seattle, by reason of competition to the North, it might be necessary to carry cement a longer distance in this direction at the same or lower rate than for carrying it in other directions where no competitive cement plants exist.

In the case of what the traffic will bear, I might cite the following. We have here in Oakland a company which produces commodities known as Clorox. A few years ago when the steamship companies were considering increasing the rates on canned goods, they had to take into consideration the Clorox item, inasmuch as Clorox is packed in containers similar to canned goods, although canned goods are much lighter priced than Clorox. After one or two freight had been made, the Clorox people informing the transportation companies that they couldn't stand any more increases. However, inasmuch as labor and other costs had increased considerably, the steamship people considered it necessary for them to increase their charge for transporting canned goods and dried fruits, the two largest moving commodities from California, and in order to do this, from the standpoint of comparison, it would also be necessary for them to increase the rate on Clorox. Although the Clorox officials expressed their opposition, the steamship companies nevertheless did increase the rate on Clorox, as well as canned goods and dried fruit, and as a result the Clorox Company decided to establish additional plants in the Middle West and East. This is a case of where one commodity was able to stand the increased rate but another commodity was not.

It is necessary to take into consideration items of competition in "what the traffic will bear" in the making of all rates. But I think we should give more weight to the cost factor than we have in the past. I think there has been an inclination to place too much value on the item of "indirect benefits" in the determination of rates. There is no good reason I can see why the shipping public—shippers and transportation companies in the valleys and in transcontinental territories—who use the port facilities, should not contribute more toward the expense of maintaining and operating such facilities, so that the same can be operated at a profit, or nearly so. We know it is necessary for public bodies during the pioneering stages to provide facilities in advance of actual requirements, so it is not always possible to make rates based upon the cost of public facilities, but by working with the private operators who are able to determine costs very closely, we can arrive at rates more commensurate with the cost of the service performed. (Applause.)

**PRESIDENT ABEL:** Thank you very much, Mr. McCarl. I think this cost matter is one of the most important things we have in our operations, and I hope during the coming year that more study will be given to it by the Association. I think it important that we do it, and in the next Convention we have further papers and discussion and probably the results from those studies can be presented at that time. I think we will get a lot of good out of it.

I don't think any convention, especially here on the coast, is complete without having Tom Lyons, trans-

Washington, D. C., talk on foreign trade. We would like to have you come up and tell us all about Foreign Trade. (Applause.)

MR. LYONS: Mr. Chairman and gentlemen:

It has been rumored that my paper has been given the assignment of No. 9. In other words, to get behind the eight ball; but I don't know. Since I have joined the organization, I'll do my best to see that I stay in front of it from now on. (Laughter.) I also notice that in setting up my paper, my official capacity and also my address has been left out, intentionally. That is due to Dr. Edwards' remarks as to an expert. Unfortunately, I came from Washington—three thousand miles away—and I don't think that it would be advisable for me to advertise that anywhere except at this Convention, where I have some good friends.

### Ports and Free Ports

By JIM C. LYONS, Chief of Transportation Division,  
Department of Commerce,  
Washington, D. C.

At this, the second convention of your Association before which I have been privileged to appear, I feel that I have been accepted as an honorary member of undesignated standing. Your patience in listening to me I can attribute only to your interest in the foreign-trade zone as a desirable and even necessary complement to the facilities of a modern and complete port.

The function of a port has not been as thoroughly understood or encouraged in the United States as in some other countries. Since the war, increasing attention has been given to ports, and great progress has been made in most of our waterfront cities. There have been, and still are, many obstacles needing elimination or abatement before ports are free to perform the services usually rendered by an efficient organization.

### Port Operation

The development and operation of a port is usually a long-range proposition, and somewhat similar to that which confronts an industry entering a new market. The tributary territory must be surveyed; the type of commerce that is likely to develop must be determined; the port facilities must be planned in accord with special conditions and type of commodities; tariffs must be adjusted to the most efficient level; there must be realization that income is not likely to equal expenses or to return costs for some years in the future, and finally, that sales promotion and solicitation are just as important to the success of the port as to any industry. To most ports, Emerson's principle of a mouse trap and a hermit has become a slogan or a way of life. This smug attitude is costing long-established ports millions in commerce to other, more aggressive localities. Particularly is it true of ports blessed with natural advantages, fine harbors, large and rich hinterlands, and locations on principal trade routes. Perhaps some excuse may be found for this attitude in ports where the terminals are modest and adequate, but it is certainly otherwise when there is a lack of coordination or a lack of proper port facilities in a harbor favored by nature. Business can be lost to another port, and it may not necessarily be one of our own, just as surely as business can be lost to a competitor, and for the same reasons. Unfortunately, it apparently takes longer for a port to realize that it is losing business, and the reasons, than it takes in private industry. Even after it does have such knowledge, remedial action is often delayed for years to the port's further detriment.

### Port Functions

What are the functions of a port? Essentially they are to provide the meeting of land, air, and water transportation with space for the convenience of passengers, mail, and the holding of merchandise awaiting transfer between buyer and seller and between water and land. The engineer may plan a terminal of the finest construction, having the most modern handling equipment, but if the other fac-

ilities of the port are not coordinated with it, much of the terminal engineer's work goes for nothing. Experience has shown that a centralized coordination of piers, transit sheds, warehouses, railways, belt lines, motor trucks, lighters, and handling equipment is a prime requisite. Rates must be reasonable and equal all over the port for the same services. Freedom of movement between piers, between warehouses, and between railroads is essential. Port promotion, independently and in cooperation with railroads and steamship lines, is too often neglected, though the returns from such effort have proved its worth.

### Port Efficiency

How should a port be operated? This brings us back to the analogy of a private enterprise. The brief answer is "efficiently." When we speak of a port we mean all the waterfront facilities of a city or a particular locality. If these waterfront facilities are divided up among a number of independent owners and operators, the chances of obtaining the proper cooperation and coordination are in inverse ratio to the number of separately controlled terminals. That is not port efficiency. If the piers are inadequate to handle the traffic coming to the port, congestion is the result. That is not port efficiency. If the piers are not modern so that handling costs are kept at the minimum, that is not port efficiency. If there is not a direct connection of the railroad and the motor trucks with the vessel at the pier, transfer costs and congestion increase. That is not port efficiency. If there are not transhipment warehouses for transit cargo to eliminate unnecessary handling and cartage, the port does not have efficiency. If the costs of dockage, the costs of wharfage, the costs of transfer, the costs of warehousing are not equal for the same services, and are not reasonable at all points in the port, that is not port efficiency. If a port is not on its toes to bring cargo and ships to its piers and new industries to the community, that port is not efficient. So much for efficient port organization, though the few points mentioned by no means exhaust the list.

### Port Problems

The problems facing port authorities are many times more difficult of solution than those of a business enterprise. Unfortunately, it is not a case of knowing what to do and doing it. Expediency, divisions of authority, lack of capital, conflicting policies of railroads and steamship lines, opposition from private terminal operators, warehousemen and draymen, all make more difficult the satisfactory solving of problems confronting the port authorities. Leaving the development of the port to railroads, steamship lines, private industries, and pier owners rarely results in building a modern port. It is a shirking of civic and state responsibilities not to have a pattern upon which a port logically may be developed and operated. It is an incalculable waste of money and land to permit the uneconomic use of waterfront property. An attractive, well-planned port will derive more revenue and more satisfaction from users than any amount which may have been spent to bring it about.

### Ports and Free Ports

You may ask, how does all this tie in with foreign-trade zones? I emphasize again that the foreign-trade zone is a desirable complement to the facilities of a modern and complete port. It is a condition precedent to zone establishment that the area of a port so set aside must have shipside warehousing, must furnish direct connection between ship and rail, must have sufficient space for minimum handling in the dispatch of cargo, and must provide all necessary facilities for the manipulation of merchandise. The foreign-trade zone act sets out a public yardstick of essential facilities by which existing ports and terminals may be compared. Because of these requirements a foreign-trade zone can set an example for the development of the rest of the port. But this is not all, for the zone offers to cargo, privileges not otherwise available in a port, and so rounds out the services that a major port should be able to provide.

### Mobile Foreign-Trade Zone

You are probably wondering why, if all this is true, the foreign-trade zone at Mobile was abolished. I can say this, that the zone there was never given a chance to prove its worth. Opened in July a year ago, it was closed in January following several weeks of discussion, just when merchandise consigned to the zone began to arrive. In spite of all that is claimed for the principle of foreign-trade zones, it is not a miracle worker. A port or terminal would hardly be expected to pay its own way within six months of its establishment.

The Foreign-Trade Zones Board does not feel that a port community should undertake the establishment of a zone except as a

long-range proposition, and should not expect the operation to pay monetary dividends during its early stages.

#### New York Foreign Trade Zone

The New York Zone is fortunate in having been sponsored by public officials who believe wholeheartedly in the free port principle and who have nursed the zone along until it is now out of the experimental stage. Occupancy of its existing storage and manipulation facilities has reached approximately 90 per cent. Extensive additions are under construction, that, when completed, will provide a general utility building having space for dry storage, cold storage, and merchandise manipulation, and an 11,000-ton vegetable oil tank storage and pump system.

A glance at the figures for 1938 shows that the commodity tonnage entering the New York Zone was 267 per cent greater than in 1937, and commodity values were 390 per cent greater. In 1937, 97 lots of merchandise were handled, while 1285 lots were handled last year, an increase of 1300 per cent.

A further glance at the figures indicates that in the first five months of this year the commodity tonnage handled equalled the tonnage of all of 1938, while commodity values for the five months' period exceeded the entire twelve-months figure of last year. This suggests that for the year 1937, the 1938 ratio of increase will be maintained and possibly exceeded.

In a recent report of the deputy collector of customs at the zone, it was stated that since opening in 1937, the zone had received 4,500 consignment lots weighing 190,000 tons and valued at \$15,000,000. A total of 775,000 packages of various descriptions have gone to the zone and 50 ocean freighters have discharged cargo there.

Commodities have come to the zone from 12 European countries, 11 Asiatic countries, 7 African countries, 5 South American countries, 6 North American countries, and from the United States, Puerto Rico, and the Virgin Islands.

From the zone, goods have been re-exported to 13 countries of Europe, 4 Asiatic countries, and Australia, 3 African countries and Madagascar, 5 South American countries, 9 North American countries, and the United States.

Duties collected on merchandise entering the United States from the zone amounted to \$656,534 during this period.

Among the more enthusiastic believers in the New York zone are customs brokers. These men, to whom the solution of problems of foreign commerce and the tariff mean their daily bread, have advised many of their clients of the advantages of the zone.

Upon the advice of a customs broker, a Scandinavian exporter brought pictures and picture frames to the zone. They arrived at different dates, by different vessels, and under different tariff classifications. Ordinarily, each lot would have to be entered separately, but by using the zone, pictures and frames were assembled and were then entered under a single entry. The benefit of a single entry was obvious. Not only that, but case lots were broken down, not permissible in bonded warehouses, and buyers were able to inspect individual pictures and frames and give orders for preferred combinations for assembly before delivery.

Another customs broker said that he advised a client, who is a fur buyer, to use the zone for the in transit inspection of fur traps prior to reexportation abroad for manufacture into coats. This quite obviously eliminates any need for a warehouse entry in order to inspect and sort the fur. Such entry, as you know, creates problems of proper valuation, production of consular invoice, and the liabilities under the bond.

In the case of an importer of canned corned beef, his customs broker explained to him the possibilities of the zone. As it has worked out, the importer is building a substantial trade and is far ahead of his competitors. The advantages of the zone, as explained by his customs broker, are storage of his product for unlimited periods of time, and the fact that the U. S. Department of Agriculture does not inspect his canned meat before customs entry. In effect, this means the importer has an opportunity to examine each shipment and recondition, return, or destroy defective cans. The importer is enabled to maintain a spot stock of unlabeled cans, ready for quick delivery in this country and Canada with the buyer's own label, a tremendous advantage over competitors and an impossibility without the zone.

A well-known exporter recently used the zone to collect and prepare his equipment for an extended trailer journey through Asia. Much of his equipment was highly dutiable had it entered customs territory, and in this regard the zone was of real service to him.

Perhaps the most spectacular sight at present in the zone is thousands of boxes, cases, crates, and lift vans containing their nature and personal effects of European refugees. It is also a vivid and pathetic commentary on the European situation. In this moment, the zone is serving a vital need. Under our customs laws, the only logical alternative to the zone is the general outer warehouse with its limited capacity, high costs, and one-year storage limit. It is possible to enter such goods as conditionally free under a system of bond, but there are few customs brokers or others that are willing to take the risk and responsibility of such a procedure. As the problem solves itself in New York, personal effects that customs brokers consider a poor risk are sent to general order, and the rest are filling the New York zone in a very satisfactory manner.

To the Port of New York, the zone furnishes an example of a complete terminal, having a published tariff of all charges, something port has not seen in modern years.

To the foreign trader, the zone is a sanctuary for his goods, where he can deposit them with customs immunity while he decides where and where he will market them.

The Pacific Coast Association of Port Authorities is doing a great deal of work to improve port service. Today, Pacific Coast ports among the best equipped and most modern in the country. It is this reason these ports have been watching the progress of the New York Foreign Trade Zone with great interest. The proof of this interest comes not only in the figures of its operation, but also in the enthusiasm of all that use its facilities or recommend its use to others. (Applause.)

**PRESIDENT ABEL:** Thank you, Mr. Lyons. To find that you could come out from Washington to bring us up to date on Foreign Trade Zones. We appreciate having you with us.

Now we have a discussion of Mr. Lyons' paper by Mark Gates, Secretary of the Board of State Harbor Commissioners, San Francisco, California.

**MR. GATES:** Mr. President and gentlemen:

Referring back to that matter of experts, when I started to write this discussion of Tom Lyons' paper on Foreign Trade Zones, I realized that he is the fellow who wrote the book, so I was careful not to say too much.

#### Ports and Free Ports

Discussion by MARK H. GATES, Secretary  
Board of State Harbor Commissioners  
San Francisco, California

My good friend, Tom Lyons, has said he feels he has been accepted as an honorary member of this Association with undignified standing. He says further that our patience in listening to him can be attributed only to our interest in Foreign Trade Zones. I would like to say for the membership of this Association that, if Foreign Trade Zones had never been heard of, Tom Lyons would still be here and welcome to membership, because of his personality and good fellowship and the fact that he attaches enough importance to this Association to make the trip across the continent each year to attend its meetings.

I do not believe that the closing of the Mobile Foreign Trade Zone without a longer trial, nor whatever success has come to the New York Zone, is sufficient proof of the future of such zones in this country. But I do believe, as I have said before, that two things are essential if these zones are to be as successful in the United States as they have been in foreign countries. One is that the law must be amended to allow greater latitude, and the other is that the Foreign Trade Zones Board rules must be liberalized to permit of more practical operation.

I realize that the law governing the operation of these zones was passed by the Congress, and that the Foreign Trade Zones Board is not to go beyond the provisions of this Act, and I will admit that some changes within the zone may be difficult of accomplishment. But I contend that the Foreign Trade Zones Board can do much to encourage the establishment of zones in various United States ports.

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a more practical view of the situation and still stay within the  
and spirit of the law.

The Port of San Francisco offered to establish a Zone at Pier 45.  
pier is one of the best piers on the west coast. It is our opinion  
it is admirably adapted to the purpose of Foreign Trade Zone  
tions. But the Foreign Trade Zones Board has decided other-  
wise. That board has demanded that we meet certain conditions,  
of which we consider unnecessary and some of which are prac-  
tically impossible.

The Foreign Trade Zones Board also demands a site and facilities  
which will provide for expansion far beyond anything which can be  
contemplated within the next few years on the basis of the operations of  
any established zone—that at New York.

We were willing to set aside a two-million-dollar facility for this  
one of trying out this experiment, knowing full well, from our  
investigations, that it would not pay for some time. But the  
Foreign Trade Zones Board has refused to grant the permit at this  
time. One of the important expense items is that for United States Customs  
guards and other services. Under ordinary circumstances, these  
costs are absorbed by the Federal Government, whereas in Foreign  
Trade Zones the expense of maintaining guards must be borne  
by the operators of the Zone. The estimated expense of this service at  
San Francisco is approximately \$1800 per month. The Foreign Trade  
Zones Board also requires that the site be barricaded, not only on the  
land side, but also on the water side. In the New York Zone the water  
is protected by an electric eye. The Foreign Trade Zones Board  
insists that such precautions are necessary to protect the revenues of the  
Federal Government, and to prevent smuggling. Such elaborate and  
costly protection seems rather unnecessary, when it is considered  
that such precautions are considered necessary when foreign cargo  
is handled on the ordinary piers. It would seem that the use of facilities  
which are considered the last word for cargo handling, should  
be good enough for foreign trade zone operations, and that barricades  
and customs supervision should be reduced to the minimum. If this  
policy were followed, it might result in the establishment of additional  
zones, while, on the other hand, if sufficient unnecessary ex-  
pense is added to the cost of handling the cargo in the zones, this  
will cause shippers to resort to the drawback system for the same  
reasons. (Applause.)

PRESIDENT ABEL: Thank you, Mark. We appreciate  
your discussion very much.

The program, as far as papers are concerned, is now  
completed for this afternoon. I will ask the Secretary to  
make some announcements, but before doing so, I want  
to ask you, if you possibly can, to be down at the meeting  
as early as possible tomorrow morning, so we can  
get on time, as we will have a busy day.

With respect to the trip to the Airport and on the Douglas  
Mainliners, it appears the United Air Lines have had  
heavy demands on their equipment, and it will be impos-  
sible for them to use only one Douglas Mainliner to make  
the trips over the Bay and around Oakland. The  
United Air Lines can handle no more than one hundred  
these trips, and as we already have more than that  
number signed up, we would appreciate it if you would  
bring this into consideration.

SECRETARY McCALL: First, we have a letter from  
Haslett Warehouse Company in connection with  
Foreign Trade Zones. It is addressed to the Pacific Coast  
Association of Port Authorities.

Information has reached us that your Association will discuss the  
establishment of a Foreign Trade Zone during the present Convention. If  
establishment of such an area is seriously contemplated in Oak-

land or the East Bay we would like your Organization to be informed  
that members of our industry and our company are definitely opposed  
to it. Previous investigations of the need of this type of facility in San  
Francisco Bay area have all resulted in the conclusion that there was  
no need for it, that it would accomplish no good, and that it would  
be very harmful to our industry.

In the event you would like the views of our industry discussed  
with or presented to your group or a committee handling this subject,  
our representative will respond to your convenience.

Wishing you every success with your Convention, we are,

Yours very truly,

HASLETT WAREHOUSE COMPANY,

(Signed) Hyland Hoffman, Manager  
Oakland Division

I would like to add one more item of appreciation to  
Dr. Edwards. I happen to know of the great amount of  
work that he had to put in working out that formula  
which accompanied his paper. I was over to his house on  
a Sunday and he had a lot of papers around on his desk  
and I asked him what he was doing. He said, "I am  
working on that very nice little subject you assigned me."  
I know what an easy question it is to ask, "What is the  
cost of operating marine terminal facilities and what is  
the cost of dockage, tolls, storage, etc.?" We can well  
appreciate the time spent in working out a formula to  
determine those costs as well as all the other items of  
costs in terminal operations; that it required the burn-  
ing of midnight oil, and I know Dr. Edwards didn't  
do much of the work at the office. So I think the records  
should show a vote of thanks to Dr. Edwards for this  
splendid piece of work. We might show it in the way  
of applause. (Applause.)

PRESIDENT ABEL: If there is no further business,  
I will entertain a motion to adjourn.

Upon a motion duly made and seconded, the meeting  
was adjourned at 5:00 P. M.

FRIDAY, AUGUST 25, 1939  
9:45 A. M.

The meeting was called to order by President Abel, act-  
ing as Chairman.

PRESIDENT ABEL: I believe the Secretary has a  
communication to read.

SECRETARY McCALL: I have one here from the  
State Port Authority of Virginia:

Dear Mr. Abel:

I have before me your good favor of the 14th, and I had my plans  
tentatively perfected to be on the Coast and in your section about  
August 24, but matters of an unforeseen nature developed and my  
Coast visit is necessarily postponed, and as at now looks, I will not  
be able to get away until some time next Spring and I hope nothing  
will prevent my doing so.

I should enjoy especially the opportunity of meeting the members  
of your Pacific Coast Association at your coming convention, Au-  
gust 23 to 26, but I hope to have the pleasure of meeting them indi-  
vidually at their home station next Spring. I want to thank you for

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your kind invitation to be with you all, and I wish for you a most successful meeting.

With kindest regards, I am,

Very truly yours,

(Signed) W. A. Cox,

Director of the Port.

Also, there is one here from C. A. Cotterell of Vancouver, B. C.:

Dear Mr. Abel:

I sincerely appreciate your very kind letter of July 11th, extending such a cordial invitation to Mrs. Cotterell and myself to attend the Twenty-sixth Annual Convention of the Pacific Coast Association of Port Authorities at Oakland, August 23rd to 26th.

While I have been planning on visiting the Golden Gate International Exposition, am very doubtful if it will be possible for me to be in your city during the dates mentioned, as, I expect, our Chairman and President will be in the British Columbia District, in the course of his annual inspection trip, about that time. However, should I be down your way this Fall, I shall certainly endeavor to see you.

With best wishes for the success of the Convention, which I know will be a very pleasant and interesting affair.

With kindest regards,

Yours sincerely,

(Signed) C. A. COTTERELL

PRESIDENT ABEL: Thank you, Secretary McCarl.

MR. FRED PARR (Richmond): Last night at the delightful dinner we had at Pier Forty-five, I met Mr. Peterson of the *Daily Commercial News*, and he said that he would like to have a resolution introduced for consideration of this body, representing the Pacific Coast States and Canada, in the interest of trying to get the Governors to take some active part in trying to bring these conflicting bodies together. I only had a passing conversation with him, and I said, "I'll introduce you to Mr. Carroll of the Resolutions Committee." Mr. Carroll said, "If anybody wants to introduce a resolution, we'll be glad to have it considered." I said, "All right, it will be presented to the committee." Mr. Peterson went to his office and drafted a resolution, and I notice it is published under my head in the *Daily Commercial News*, and I know nothing about it. I appreciate the fact that I am not a voting member of this body. However, I do have the privilege of presenting things for consideration. I did not agree to present the matter to the Resolutions Committee until I had talked with a member of that committee, Mr. Carroll. I am glad to have the resolution considered by the committee, but I want it considered on its merits, and I want it to be recommended and adopted by this body. I, myself, would like to study the resolution and see the real purpose and importance of it, and see if any good could be accomplished by it if adopted. I just wanted to state my position in this matter.

MR. JOSEPH F. MARIAS (San Francisco): Mr. Peterson came to me last night and thought, because I was appointed by the Governor that I should get in telephonic communication with him. He offered absolutely nothing that a Governor of California, Oregon or Washington could do or consider, and I told him that so far

as I know, and I think I do know, that all the machinery for arbitration and settling the controversy is in motion and is working about twenty-four hours a day. So I would say that if this organization does accept from the committee a resolution for the Governor, that you please consider that the Governor is bound by certain regulations of his office. He has to be careful, and while I'm sure, because I know our Governor so well, that he is doing what he can, and he does want to stop this true threat of strike; that if you suggest something, suggest something that he can do, and not something that you know he can't do.

PRESIDENT ABEL: Thank you very much, Mr. Marias. I think the statements you have made will be very helpful. I might state that this matter has come to my attention from two sources this morning. The parties were very much exercised about the matter. I think that probably the very special dinner we had last night had something to do with the affair. Now, inasmuch as the effect of the dinner has worn off, we can think of it in a better light, and give it better consideration. As I understand it, the matter is before the Resolutions Committee at the present time.

The first paper this morning is Paper No. 10, "Legal Problems Confronting the Ports," by Markell E. Bair, formerly Attorney for the Port of Oakland. Mr. Bair is not in the city, and I am going to ask Mr. Reginald Jones, Assistant Port Attorney, to present Mr. Bair's paper.

MR. JONES: Mr. President and gentlemen of the Association:

#### Legal Problems Confronting the Ports

By MARKELL E. BAIR, Formerly Port Attorney  
Board of Port Commissioners  
Oakland, California.

It is reasonable to assume that in the beginning of time, when first were established on the face of the globe, there were no legal problems to confront them. At least, in the days of the voyages of the Phoenicians, who, we are told, operated our world's first mercantile marine, and of the public projects of the Romans, who established, among others, a port on the seacoast near Rome and later another at Carthage, in Africa, one learns nothing of perplexing legal problems which beset the early port officials of history, whenever they may have been.

Possibly the answer lies in the fact that in very early times consisted of natural landing places for ships along the coast. Harbor structures as we know them today were merely crude wharves designed to facilitate the easier berthing of a small galleysailing craft. Even our common law of a later time refers to a wharf or pier as being merely in the nature of an extension of a highway. It is doubtful if in those earlier days there was established anywhere a governmental body in the form of a shipyard, terminal organization with its system of terminal rates and practices.

Probably legal problems did not arise in such times, for the very good reason that there were then no complex problems of port administration and operation to solve. Then, again, the answer may lie in the fact that, as history writes along, the importance of the issues of the past fade into mere nothingness and are soon forgotten, which but emphasizes the unalterable fact that lawyers may not be the enduring position in the affairs of men they may imagine.

But in any event, when we come down to the present day we find the complexities of port development and the intricacies of terms

operations, with their multitudinous problems, leading into the commercial life of modern civilization, rapidly increasing, with the inevitable necessity of turning again and again, for better or for worse, to the law for guidance. Such are the complications of our modern life and its affairs.

In this discussion today it is not intended to submit a warmed exposition of the legal problems which now confront the ports and to point out their solutions. There are other lawyers present, and also many port officials who have acquired by experience and study a considerable knowledge of law and its bearing upon port problems. No lawyer, having a proper conception of the opinion to be associated and knowing that it is inconceivable to expect a full concurrence in any view expressed, would dare to express an opinion and expect it to go unchallenged. Hence we shall deal with this occasion as a sort of a legal seminar, and by such study some of the problems which come to mind upon the way for their resolution, or perhaps greater significance, all in the hope that at the end there suggestions of value may come out of this session.

Without attempting to give any thought to order of presentation, one's thought first turns to the claim of the Federal Government to the ownership of our submerged tidelands. As we all now know, certain high officials, Navy Department, particularly those connected with the Navy Department and the Department of the Interior, have within the past months had a serious dispute over the extent of submerged tidelands, and have sought to secure the passage of Congressional legislation for the purpose of officially asserting Federal claim of title and of causing the same to be enforced.

In part, this claim of Federal title was asserted, it is claimed, in the Government to secure control of the salt and oil deposits of petroleum oil which are found in the coastal lands of Louisiana and Texas. But behind such there appears to be a far deeper desire on the part of certain high officials of the administration to make of the submerged lands of the nation, including the tidelands, a part of the Federal domain and to have them under a controlled and limited Federal domination and direction in the way that they are being used by the nation much the better be planned and controlled in accordance with the philosophy of the Government at Washington.

The idea of the outset presented an air of controversy, and is particularly concerned our ports, which, after all, have been a part of legal precedent as expressed in the interpretation of our national constitution, and had been claimed by the States and Federal authorities. It was a disturbing thought to consider the possibility that all be it later facilities and would find out that the Government, and even if it is made in fact, be made in fact, by the Supreme Court, as now constituted, to become a part of the Federal Government.

The ports of the nation, as you know, are the property of the attorneys general of the States and joined in the same united effort through the American Association of Port Authorities, as viewed in its laws and legislation committee, but which I have referred to, a member, made a statement in the Conference regarding the proposed legislation. Apparently, the right was intended for the State, a subcommittee of the House of Representatives reported against the legislation, and the proposed legislation.

But the right is not yet finished. Only last July a new bill was introduced in Congress, which is designed to grant to the Department of the Interior authority to enter into leases of such tidelands of the nation as to which the Government might hold title. Such a bill would naturally permit a lease to be made of submerged tideland under a mere claim of title and thus would, only the way for the very assertion of title by the Government that the former legislation contemplated in a more direct form. This is a matter which none of the ports for a moment may lose sight of. Inevitably, in some way or other, the Government will bring the issue of its claim of title before the courts and will prosecute the case to the Supreme Court of the United States, where none expect a liberal view of the ancient law and precedent to be taken, with a strong wish to lean in favor of the Government as against the claims of the States and the ports.

Someone of Federal legislation, those who are found in our present position, which must be kept in mind. That is the position as stated in Congress and by the President, which is a matter of fact. The position by the Federal Government of the interest in submerged lands, public waters of the States and cities.

As this matter involves a matter of fact, then port legislation, there

was organized, as you know, a national group, made up of the attorneys general of some 40 States and numerous city officials, which was known as the Conference on State Defense. Happening to be appointed as a member of the executive committee of the Conference, I recently appeared in Washington to debate this proposal before the Ways and Means Committee of the House of Representatives. We were successful to the extent of preventing any action by Congress at the session which has just adjourned.

But the issue as presented is still a live one, replete with vital and important consequences in its application to the welfare of the ports of the nation. Grant that the Federal Government, as claimed, has the authority to tax the interest payable upon municipal and state securities, then, by the same token, it has the legal authority to tax the income and revenues of our port organizations. And if it can do that, it can tax existing public securities, for once the power of supreme Federal taxation over the States and their political subdivisions is granted in one respect, it becomes absolute, unrestricted and unlimited.

With such authority recognized to exist in Congress, Congress will have the power to classify and reclassify the ports. By placing certain ports in one category and others in another, or by favoring one type of port development over another, it could virtually regulate and control by Federal power such local independence of action as we now enjoy. Gradually, any such course of action would lead to centralization of power in Washington. Gradually it would mean the subjection of the ports of this nation to a system of Federal control, and then, as political considerations arise, it would permit political powers to play one part of the country against another, thereby bringing about the gradual breakdown of our old American system of local autonomy and local control.

Such is one of the problems which now lies lurking to besiege the welfare of our ports.

All this is beside the important issue now determined through the sensational reversal by the United States Supreme Court of its established precedent of a hundred and more years, by which the court declared that the Federal Government possessed power to tax the salaries and the port and other public officials. *McCulloch v. Maryland*, 300 U.S. 305.

Need I say you know what this means, but if you do not, it behooves you, as public officials, to set up personal books of account covering your public salaries and any expenses, such as donations to a port charitable fund, or whatever you may deem it to be desirable, and to prepare yourself for the filing of income tax returns next March, and thereafter to dread yourselves against the scrutiny and investigation of the Federal income tax collector, the Federal income tax inspector, and the Federal income tax agents, who will be sure to call upon you with most peculiar notions and innumerable questions regarding your personal affairs, the like of which you have never before dreamed of. There is no doubt of that. As public officials, most of us are to encounter a new sort of experience, unless we have been fortunate enough to have paid income taxes before and have already found out what an interesting game it is.

Incidentally, if you have not yet found your rights, have not been allowed to raise, you are entitled to recover from the government such income tax as you might have paid on your public salary previous to January 1st of this year.

We have spoken of the trend toward Federal control of port organizations, revealed in the legislation for the Federal control of the tidelands and of Federal taxation of port revenue and public securities, but the Federal Government in other respects is its law and is not prepared to abide with the determination of the States.

Perhaps the boldest step in the direction of Federal control of the port is in the proposed ruling upon the Maritime Commission to direct it to include the territorial waters of the nation, whether they be public or privately owned and operated. The language of the Maritime Act is thought by certain local authorities to convey no authority, but the matter is not entirely free from doubt.

In a case arising out of the Port of Boston, where the State of Massachusetts official owns and operates the harbor facilities, the Maritime Commission in a proposed report directed that such a state organization should have its terms and conditions with the Commission and should include the Federal Government in its territorial and harbor waters. *U.S. v. Boston Harbor*, 300 U.S. 305. U.S. M. C. No. 4817. A final decision of the court has not yet been rendered. Ten days later the Supreme Court of Pennsylvania in a lengthy

opinion, reached the same conclusion, holding to the view that where Congress, in its regulation of interstate and foreign commerce, has assumed to occupy the field of regulating water transportation, including the operation of public wharves, its authority became complete and all embracing, leaving no room for state or local regulation (*McNeely & Price Co. vs. Philadelphia Pier*, 196 Ad. 846).

However, last January the Supreme Court of the United States, in a case arising out of the Territory of Hawaii, held that Congress, by the adoption of its shipping acts, had not intended to occupy the entire field of regulation which covered public utility operations pertaining to interstate shipping and to local wharves; and that as a consequence the local authority in many respects still operated (*Inter-Island Steam Nav. Co. v. Hawaii*, 83 L. Ed. 198).

At first glance, such decisions seem to fall within the line of established judicial precedent. They generally meet with little objection. Indeed, on the eastern coast an association of marine terminal operators, has expressed itself as favoring the regulation by Congress of local terminal operations—public, as well as private—contending that it will lead to a more uniform development of the business and a more stable industry.

There may be some merit to the contention. On the other hand, we as Americans must keep ever before us the fact that the strength and character of our nation, which has become the admiration and the envy of the people throughout the world, have been brought about by our Federal system of states, whereby each state until the present time has been recognized to be an independent sovereignty, with power and authority to develop its own plan of government, to promote its own internal welfare; and to guide the destiny of its own people in such manner as it may, through its own people, deem just and expedient. Ours is a system of local democracy, and our public port organizations are the creatures of our own voters working through their own representative governments.

As it is inconceivable that any one government of Europe, for example, may dominate the political institutions of another government unless it conquers such government by military force or absorbs it into its own organization by international intrigue with other nations, it is likewise inconceivable that the states, as independent sovereignties, should be subject to control by the Federal Government beyond those details which are expressly set forth in the Constitution of the United States as the limited powers granted to such Federal Government.

These provisions of the Constitution must be read in the light of the philosophy and purpose of the Federal union as interpreted by the courts and understood by our people. So read, it seems a logical conclusion that the commerce clause of the Constitution must be understood as limited by the reserved power of the states in the carrying on of their own governmental activities, and that whatever may be the power of Congress in regulating privately operated facilities of commerce, that power ceases when the effect is to direct and control the rights of the states and their political subdivisions.

If Congress has power to directly regulate the rates, practices and policies of publicly operated port organizations, it can lawfully extend such regulations as far as it may deem expedient. It may require the securing of certificates of public convenience by public port agencies which may seek to extend their harbor facilities. It may say to the Port of Portland, for example, that should it embark upon a program of liberal rates in order to foster the development of the Hood River apple traffic, such practices would be deemed detrimental to the commerce from California and must be avoided. It may say to the Port of Seattle, which may propose the construction of a new terminal structure, that such facility is not needed, while turning to the Port of San Francisco, and not only improving a similar development, but even sanctioning the grant of Federal funds to aid its completion.

The carrying on of such activities is truly a local function of the state organization and of their political subdivisions. Each state was originally intended to be free to promote in its own manner its own local development. Can it for a moment be conceived that Massachusetts or Virginia would have ratified the Federal constitution had its patriots of early days known that the national government, which it was creating would in time assume the power to tell its own local political government representatives what particular port facilities they might build, or to direct them as to the manner in which they might operate them for their own benefit.

It is not a question as to what Congress may in fact do which concerns us, but the power which it is seeking to acquire. It has enacted

recent laws which provide for the assessing of taxes for social security, for unemployment relief, for the activities of the National Labor Relations Board, and for other details of government, a phase of the power granted to it under the commerce clause of the Constitution. At present, these statutes of Congress and others of like character expressly declare that their provisions shall not govern public agencies. Doubtless Congress, in general, still assumes that it possesses no direct power of control over such public bodies; but it is now determined that states and municipal agencies operating facilities in connection with interstate and foreign commerce are much subject to the control of congress as any private institution engaged in such business, then it must logically follow that public port organizations should likewise comply with all these national laws.

This raises important questions of local policy. What would become of municipal pension systems which may conflict with the national social security provisions? How would a municipal port agency continue to apply its local civil service regulations in the hiring and discharging of its own employees should such provisions be defined by the National Labor Relations Board to conflict with any regulations it may establish? Indeed, how could a city enter into collective bargaining agreements with its employees while at the same time preserving the principles of civil service?

These are all important and vital problems of government which we face today. They present far-reaching legal considerations which we as port officials cannot ignore.

Take, for example, the law of public franchises. Since the foundation of our system of common law by the early English judges prior to the formation of our American states, it was recognized that the right of private persons to carry on certain activities involved the exercise of a privilege to be secured by a grant from the king or sovereign. This gave rise to what is known as the law of franchise, which generally embraces the operation of public utilities. As a consequence to this day it is commonly recognized that certain activities of citizen cannot be carried on unless a franchise has been first secured from the state government or from a municipality where franchise powers have been delegated to it.

Thus the right to operate a railroad, or to carry on the business of supplying the inhabitants with electric power, with gas and with other public utility services involve the exercise of a right of franchise.

Among such franchise rights, as illustrated by legal precedent from time immemorial, is the right to operate a wharf for public service and to charge dockage and tolls. There are many examples of such wharf franchises to be found in the published law reports.

With the recent development of public terminal operations as carried by private enterprise, it has been recognized by legal authorities that such enterprises are public utilities in character and should be permitted to operate only upon the securing of proper franchise from the state government. In many instances, the necessity of securing such a public franchise for such terminal operations has been overlooked. In many localities it appears that the existing law has been allowed to fall into disuse in so far as it affects the operation of wharves and terminal facilities, or its application has not been appreciated.

The law has its own important significance. By the requirements of such a franchise, local public authorities are placed in a position to pass upon the location, type and character of a proposed public terminal establishment and to exercise a supervision over the general development of shipping facilities of the local harbor. They can opportunity is afforded them to properly guide the general program of harbor expansion and to provide for the better handling of shipping and commerce.

Seeking to test out the legal scope of such franchise provisions as to apply them in California, a series of cases were instituted recently by the Port of Oakland. Such litigation met with violent opposition from private terminal operators, and appeals are now pending before the higher courts of the state. Among other contentions which were made in opposition to the exercise of such ancient power was the contention that as Congress, through its Maritime Commission, has assumed a certain authority over terminal operations, the authority of the state had been destroyed and local officials now retained no right of local control, not even the right to grant a franchise for the operation of a public wharf.

The argument goes further. It is contended by some persons that even the authority of such state institutions as the California Railroad Commission has been nullified and that as a result, where Congress

as a Federal act, fails to set the local private terminal operators off entirely free from public regulation of any sort.

These are serious issues. As they are fought over in the courts and are emphasized by the statutes of Congress, they are bound to grow in importance and significance and to have their bearing upon the problems of every locality and every sound organization of the coast.

This brings our thought to another phase of governmental regulation. What should we say to the present attitude of the Maritime Commission in its control of the shipping industry itself? Incidentally the question touches upon the important political issue as to whether the Commission's authority as it now exists, or in some form, should be increased into that of the Interstate Commerce Commission or placed by retained where it is. But we need not go into that issue at this time.

There is suggested, however, the question as to what results the Commission may seek to a complete end of newly granted maximum and maximum rate regulatory powers. The recent hearings, which it conducted at the ports of Washington, San Francisco, San Francisco and New York revealed the astounding financial losses of the port coastal carriers and seem to lead to the conclusion that either the Commission must find some new level or system of rates, by which the steamship lines may increase their revenues, or must require the elimination of unnecessary services, which the steamship lines are not desirous to the public. Perhaps both schemes will be resorted to, but in any event it is apparent that serious study must be given to the Commission to the question whether the steamship lines are not to be prohibited from providing services to port cities in shallow water ports at the same rates which apply at the most regular ports of the port of call. This will bring up some of vital concern to maritime men, and suggests a long line of thought which could not properly call attention for all the time which is available for this discussion.

But time is running short and other speakers are to be heard from Seattle. It is to add that as the modern form of port organization grows into its own field of enterprise, and as shipping and commerce develop their mass of intricate and technical problems of modern industrial and commercial activity, the legal problems which concern the ports are increasing in number with ever-increasing speed and complexity. The ports must be vigilant. Not only must they keep their accounts with the collection of accounts, the fixing of local rates and charges, the making of contracts, the entering into of lease, charter and the perfecting of their internal organization, but they must be prepared to cope with the many problems which are pressing upon them from without and to defend their very right of existence, that they may continue to preserve their independent rights to place in the ship and may continue to serve the commercial shipping requirements of their local communities. This is the aim in advancing the public interest. I Apologize.

PRESIDENT ABEL: Thank you, Mr. Jones, for presenting Mr. Baer's paper. We appreciate it.

At this time may we pause and request a word from Mr. Marias. I think the Association as a whole is unanimous in the matter of thanking Mr. Marias very much for the splendid time we had in San Francisco last night. It was indeed a very delightful affair.

MR. JOSEPH MARIAS: Gentlemen, if I may take a moment of your time, as I have to leave to make a radio broadcast, for the nation is waiting for me to report on my behavior last night. (Laughter.) But before leaving, I would like to say this: that we, as neighbors of the host city of Oakland, wish to extend a welcome to you also, and to extend an invitation to come over to us and with us, see whatever you want to see in San Francisco. That is only, of course, after the host has shown you all of the hospitality that he has at his command during this convention. I want to say also that I appreciate very much

getting back into the fold. I appreciate very much the way you have received me, and I want to say that I am in one hundred per cent cooperation with the spirit of this organization. It's like going to school. We come in here and read and listen to interesting subjects and then we recess and go out and raise hell. (Laughter.) There's one little thought that I would like to also leave and put in the records. This—San Francisco from time to time has been accused of giving conditions and rates under what other ports thought fair. I want to assure you that in that spirit we are only trying to hold down all costs in the interest of, as I said before, moving the commodity from the producer to the consumer, but this is the thing that I would like to put over. We do not intend to be the off horse in the race and hold up the ordinary procedure of cooperation. We believe that all port regulations and charges should be of a uniform nature. I have said, and want to repeat, that we will not chisel, but we will not be chiselled against. We believe that if we have port regulations and charges, that the competition then must be at the source of the producing areas and if you agree with me, gentlemen—and we may meet frequently, I am sure you will never have cause to complain against San Francisco. Thanks so much, Mr. Abel, for the opportunity and we will greet you all in Milwaukee. (Applause.)

PRESIDENT ABEL: Thanks so much, Mr. Jones, for your stay throughout the session.

We have next a discussion of Mr. Baer's paper by Mr. George D. LaRoche, Counsel of the Commission of Public Docks, Portland, Oregon.

MR. LAROCHE: Mr. Chairman and gentlemen of the Pacific Coast Association of Port Authorities:

#### Legal Problems Confronting the Ports

*Presented by GEORGE D. LAROCHE, Counsel*

*Commission of Public Docks*

*Portland, Oregon*

As every one is well aware, a task was assigned to me when requested to introduce and present a discussion of Mr. Baer's paper. He has given me a splendid presentation upon the subject without burdening you with legal details. Mr. Baer has been very active in protecting the waterfront's position in relation to the different federal encroachments and is very naturally well informed and acquainted with the subject. It is with reluctance that I undertake to comment upon his paper. This I intend to do, because in the morning I am in agreement with what he has said and to be so certain much more to be added without being too much of a student.

Mr. Baer comments the fact that in early times waterfront operators were not intimately with legal public. It is comparable to those of today. However, so that the more of this might be that in the old days the waterfront was of more simple construction and operation. It is true that the legal problems of a terminal operator have increased and are increasing so much with the advent of such new port. This fact is one of very magnitude and line of behavior.

Now Mr. Baer has stated that there are many legal problems confronting the ports. Most of these mentioned to him, however, involve Federal encroachments and the question of your economic and governmental philosophy. It is so, with the philosophy involved and

the objectives sought to be gained, then as legal problems they fade away into nothingness. If you disagree, and to the extent that you do disagree, are they serious legal problems or problems at all? It is not necessary for me to emphasize or delineate in detail that our dual form of sovereignty of the past is the foundation of our greatness and our liberty. This is a Federal Government composed of not only a central government but of 48 separate states. Independence of these states and their freedom of action within their sphere is our guarantee of the continued enjoyment of our individual liberties and freedom.

It might be well to pause and give consideration to the reason or cause for the existence of the particular legal problems that have been mentioned. *Is a large measure of it due to our mental processes of today resulting in our advocacy of selfish legislation and our increasing dependence upon government and governmental bounty?* When things are not just to our liking, how often one of us uses this expression, "There ought to be a law against it?" And the sad part of it is that we do not stop there but actively undertake the passage of a law to serve our own interest. So we have a law that we think aids our cause and incidentally injures or restricts someone else. Around and around we go in this vicious circle. New bureaus are set up and a new "estate" is created that thereafter desires to continue to live and to grow. Power begets power, and the old saying of "the best government is the least government" is relegated to a pretty phantasm of antiquity. What was originally started in good faith, though selfishly, in the end ensnares the authors.

Though we have innocently played a part in making a lot of this possible, there would appear to be those who have deliberately set out to change our ways of doing things. Notwithstanding that the accomplishments of this country as a nation were based upon these time-tested American ways. Many of the new laws and proposed laws if viewed singly, though bad and dangerous, create no alarm. If you would gather them all together for scrutiny, they seem to form a pattern, a pattern for the centralization of governmental power at Washington, with the states relegated to supine empty shells of their former functional purposes and with the individual restricted, regulated and prohibited until there would seem to be the need for another Runnymede or a new Declaration of Independence. As an illustration of these laws and proposed laws that seem to head us in that direction, we have the proposed taxation of states and their subdivisions, the Wage and Hours legislation, the New Resolution for the nationalization of all property in even, of war, the division of the country into conservation districts (or maybe more correctly described as dividing this country into provinces); the bill relative to submerged lands, placing water carriers and wharfmasters under the Interstate Commerce Commission, the Social Security and all the agricultural legislation and labor legislation. That is just a part of the hand that has been disclosed and the force behind it all is impelling us in a central direction.

As to the specific matters of legal import mentioned by Mr. Baer, I desire to only make brief comment, and the first of such problems is the threat to tax the states. You are more or less familiar with this, so it is not necessary to discuss it in detail. However, I wish to remind you of the old truth stated by Chief Justice Marshall, "That the power to tax is the power to destroy." In order to fight this vicious, far-reaching proposal there was formed, as you know, an organization known as the "Conference on State Defense." This was an appropriate name for this organization, which admirably has acquitted itself. However, it is not a rather sad commentary as to the way we have been headed and upon the times that we had need of such a group united for such a cause? There appears to be need for the continued existence of such an organization, and it should not be allowed to disintegrate when this particular problem is ended. It might be difficult to create the same interest in other causes, but its continued existence should be assured, so like a soldier on guard duty it can challenge any lurking intruder or legislation that threatens our dual form of government and our individual freedom of action.

You are all conversant with the proposed bill covering submerged tide lands, and this organization went on record last year by way of a resolution in regard to it. There is just one thought I desire to express on this subject. This legislation was aimed primarily at the oil lands of California, and many of you undoubtedly thought, therefore, that it was of no particular concern or interest to you. If I am correct in that assumption, then you overlooked the establishment of a dangerous and serious precedent and principle and one that would have ensnared you all in the end. In studying these different proposed laws,

one must look deeply into them and ascertain the ultimate effect if passed rather than only the immediate effect.

The principal problem, legal or otherwise, with which you are confronted, is that of the proposed regulation of terminal operation, whether there should be or is to be such regulation, and if there is to be regulation the form such regulation should take. You have all individually given consideration to this subject in the past and also as an association you have studied and discussed it.

Is regulation necessary or is the common law rule sufficient that requires that charges should be reasonable and that all using the facilities of a wharfinger can do so upon equal and reasonable terms and conditions. The alternatives seem to be:

1. No regulation except as the common law tends to or can be invoked to restrict and regulate.
2. State regulation; and if uniformity throughout the land is desired, then the addition of interstate pacts.
3. Voluntary agreements by the operators for solving, regulating and stabilizing their problems and their business.

Possibly the combination of the first and third alternative is preferable and can be made workable with a proper consciousness of responsibility and desire upon the ones involved.

Federal regulation can only be justified in order to protect the public, and the common law restriction upon wharfmasters, if invoked, would seem to supply that protection. If centralization of our government is desired, if our economies are to be reformed, if the poor inefficient operator is to be secured against his own ineptitude and his inexperience and inefficient business practices, then Federal regulation is the answer. If there is to be regulation, it would seem advisable to leave it with the states. The states have the power to regulate. However, this power can be nullified by Congress entering the field, at least as to interstate commerce. As you know, the Supreme Court in recent decisions has given a very broad definition to that term so that it now has a meaning unknown to us a few years ago. Also the courts have held that the Federal Government by an act of Congress can divest the states of regulatory power over interstate terminals by just entering that field.

In the event of Federal regulation, the question arises whether state and municipal operators should also be subjected to such a regulation enactment. The private operator, of course, in most instances can see no reason why they should not be painted by the same brush. On the other hand, the answer is made: Why should one governmental agency regulate another governmental agency acting within its sphere of authority? Why is one agency morally or otherwise better fitted than the other to see that the operations are conducted fairly and reasonably, particularly where there is no element of private profit that often leads to bad practices.

Mr. Baer, while discussing this subject, suggested with a great deal of logic that the commerce clause of the constitution must be understood as limited by the reserved power of the states, and that Congressional power ceases when the effect is to direct and control the rights of the states and their subdivisions. In this day and age we must face realities. The Supreme Court, in deciding a case involving the belt line railroad of San Francisco with respect to the application of the Federal Safety Appliance Act, seems to have foreclosed the matter. The court in this case, among other things, said: "California by engaging in interstate commerce by railway, has subjected itself to the commerce power and is liable for a violation of the safety appliance act as are other carriers. . . ." There is no use in assuming that the same reasoning would not be applied to state or municipally owned wharves with relation to regulatory laws.

Bills providing for the regulation of wharfmasters by the Interstate Commerce Commission in addition to transferring the regulation of water carriers to that Commission have nearly become a law. The Wheeler-Lea bill passed the Senate and a House substitute passed the House. Irreconcilable differences appear that cannot be adjusted in committee, so apparently we are spared for a while. It behooves you to get busy if you are opposed to this legislation, and perhaps with renewed effort and an awakening Congress, that is again asserting itself, the ensnaring cancer of control and regulation may be averted from fastening its tentacles to terminal operators. Many operators are in favor of regulation as illustrated by the position taken by the Atlantic Association of Terminal Operators, but those that are should hesitate and give consideration to the ultimate result. When is control and regulation to end, not only as to your kind of business but all business? It cannot go much further without a nationalization of

everything and all of us being figured and rated by a common denominator, irrespective of our differences in industry, energy and ability. As an association you should decide the course that should be set and that you desire to follow, and then work diligently in reaching your objective. To be effective your efforts should be directed almost exclusively to proposed or pending legislation that affects you as terminal operators more or less directly and specifically. However, you must give attention to legislation that would set and establish a precedent or principle that could thereafter be used to your detriment. Individually you should concern yourself with all legislation that tends toward change in our form of government with its checks and balances. One must hold steadfast and not despair to the extent of concerning supremely to the advocacy of detrimental change. With peace and the spirit to regain the good that we have, you and all of us can win through.

In concluding my remarks and as a summary of my personal sentiments, I take the liberty of repeating the words of the Honorable J. A. Walls, Judge of the Forty-ninth District of Texas, expressed in February of this year, "If the American continent were to sink under the ocean tomorrow, and should a copy of the Declaration of Independence and the Constitution were rescued from the destroying waves, coming generations from other lands would know that this and had been the home of a glorious people who loved liberty and of brave people who knew how to defend it. The examples that have been bequeathed to you by our Revolutionary Fathers have never been mined upon, and as long as we emulate and cherish the history that they made, as long as we glory in the inheritance of their blood, as long as we preserve the traditions of their valor in war and of their virtues in peace, so long will our dear country remain the shrine of patriotism and the citadel of liberty."

Gentlemen, that concludes my so-called discussion. Legal problems in pure legal problems give us no great concern. Right usually prevails after the smoke of legal battle has blown away. If I have grown impatient it is because I have desired to impress upon you that we are not confronted with normal legal problems. This subject demands reflection and attention and with such powers as we are each endowed, we should solicit the aid and help of our friends and neighbors in a crusade to preserve and protect that which we all hold dear. (Applause.)

**PRESIDENT ABEL:** Thank you very much, Mr. LaRoche, for that splendid contribution and such an interesting discussion.

**MR. FRED PARR (Richmond):** I'd like to ask Mr. LaRoche one question. I'd like to ask him whether he believes that any great good has come from regulating the private operators, and whether or not, carrying out the spirit of the paper, that all regulation should be removed so that competition can be carried on in a fair way without restriction to one group while the other is free to do as it pleases?

**MR. LAROCHE:** You mean as to the possible distinction of the public terminals not being regulated and the private ones being regulated? Now, I am not in favor of that particularly except there is the argument that one governmental agency shouldn't regulate the other. I am in favor of no regulation of the wharfing except as associations to regulate themselves.

**PRESIDENT ABEL:** We will now be favored by a discussion of Mr. LaRoche's paper by Clyde M. Leach, Assistant City Attorney, and Counsel of the Board of Harbor Commissioners of the City of Los Angeles. (Applause.)

**MR. LEACH:** Mr. Chairman and gentlemen of the Association:

# **Legal Problems Confronting the Ports** *Discussion by CLYDE M. LEACH, Assistant City Attorney* **Board of Harbor Commissioners** City of Los Angeles State of California

Mr. Baer has presented several important questions, which, taken together, may well be said to be a call to arms on the part of the states, not so much, perhaps, against aggression from without, but rather to preserve the inherent sovereignty itself of the people of the individual states. This may be no time or place to wave the flag, so to speak, but when we analyze the situation, and its various phases, as presented by Mr. Baer, we are brought face to face with the fact that we are dealing with government—local, state and national. We call ourselves the Pacific Coast Association of Port Authorities. The use of the term "authority" itself indicates a governing body established by law, with definite prescribed powers and duties, created for fixed purposes. The creator, in which must lie the source of the power to create, is the People. In this country we know what we mean when we say the People.

In our Declaration of Independence we find the representatives of our forefathers expressing their belief and conviction in the following language: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed. That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect Safety and Happiness. Prudence, indeed, will dictate that Governments long established should not be changed for light and transient causes; and accordingly all experience hath shown, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed."

Then when they have listed the reasons why they felt it their right and duty to throw off the then existing government, they sign themselves the representatives of the United State of America, in General Congress Assembled, and they solemnly publish and declare, in the name and by the authority of the good People of these Colonies, "that these United Colonies are and of Right ought to be FREE, AND INDEPENDENT States, . . . and that as FREE AND INDEPENDENT STATES they have full power to levy War, conclude Peace, contract Alliances, establish Commerce, and to do all other Acts and Things which INDEPENDENT STATES may of right do. And for the support of this Declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our Lives, our Fortunes, and our sacred Honor."

Their pledges they made good. They sacrificed their lives. They sacrificed their fortunes. But their honor remained sacred and unsullied, and in truth and in fact they became FREE AND INDEPENDENT STATES. For on September 17, 1787, the representatives of these original colonies or state governments adopted "The Constitution," declaring in the preamble thereof that "We the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this CONSTITUTION for the United States of America." It is significant to note that George Washington signed as "Deputy from Virginia," and all signers signed by virtue of their membership in Congress as representatives of free and independent states.

Notice the utter lack of reference throughout to a free and independent state or government. You can find no single thought of the surrender of the sovereignty of the respective states; but, on the contrary, there is everywhere manifest a clear intent to form a union or federation of independent sovereigns. That, I am convinced, is exactly what they did, and the states remain today as free and independent, so far as sovereignty is concerned, as the original colonies were in the beginning. Some of our public servants seem to have forgotten that fact. It may be that those who have forgotten have done so with reason of their own zeal in their attempts to solve the problems of government. Let us remember the Golden Rule, however, and be charitable; but also let us not forget that those of us who are public officials

als and employees are first, last and all the time public servants; and in all that we do we are but the deputies or agents through whom the people function in their public affairs and in the manifestation of their own sovereign powers of government, thus constituting what has been so truly declared to be a "government of the people, for the people, and by the people" by Abraham Lincoln, a public servant in thought and deed.

All of which brings us to some of the problems which Mr. Baer points out as confronting us, the first of which he characterizes as "The claim of the Federal Government to the ownership of our submerged tidelands." The very statement of the proposition in the language used conveys the impression of one who is a being claiming to own something which is supposed to belong to another who is also a being. When he speaks of "our" submerged tidelands he means the State's submerged tidelands, whether it be Washington, Oregon, or California, and whether it be the lawful grantee of the state, a municipality or a port district. I think we have demonstrated beyond a doubt that the state, in its broader sense, who claims to own these submerged lands and whom the United States Supreme Court has consistently said does own them, is one of the free and independent sovereign states which formed the union or federation known as the United States of America and is unquestionably a legal being, with the essence and power of government within itself. I think we have also demonstrated that this other, which Mr. Baer designates by the use of the term which is descriptive only as the "Federal Government," is not an independent legal being with the essence and power of government within itself, but is rather the creature of a being with power to create it, or, in other words, merely a means by which and through which the source of the creative power, the sovereign, expresses itself. To my way of thinking that which we call variously the "National Government" or the "Federal Government," the "Administration," "Capitol Hill," or the "White House," are nothing more than the agencies by means of which the individual states act in those matters which are common to all and the execution and administration of which they have wisely placed in the hands of those agencies known as the Congress and the executive branch, all of which are referred to for convenience as the "Federal Government." Therefore, when we behold the tendency on the part of some Federal officials, now becoming more and more prevalent, to deal with state officials as though they represented some alien power or were but a subordinate branch of a national sovereignty, we begin to wonder if they have any conception of whom they are serving. Probably some of them think that they are "It" and not a servant of anybody or anything. I was present representing the Board of Harbor Commissioners of Los Angeles at the hearings held last March in Washington by the Legislative Committee of the House and the Public Lands Committee of the Senate on the resolutions introduced in Congress seeking to establish a claim on behalf of the Federal Government to the oil in submerged lands. The sovereignty of the states was being questioned, and you gentlemen may rest assured that it was most admirably upheld and protected, for the most part by representatives of the states directly affected. The feeling was manifest, however, that we ought to be ashamed of ourselves, and although the Governor of California and the cities and counties directly interested were well represented, and the Attorney General was there in person, backed by the entire membership from California in Congress, one of the proponents of the resolution suggested that maybe California didn't care whether she was protected during time of war or not. There's something for you to think about. Does the dog wag the tail, or the tail wag the dog?

I cannot help but feel that we, the citizens of these sovereign states, are to blame for this tendency on the part of Federal officials, more so than changing conditions and times as so many are prone to believe is the cause. The only solution I can see is the maintenance of closer contact with our representatives in Congress, both in the House and the Senate. Article I of the United States Constitution provides that the legislative powers "herein granted" shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives; and that the members comprising this legislative body shall be chosen by the People of the several states. Then follows an enumeration of the legislative powers granted by the states. Ports, the affairs of which you gentlemen administer, are one of the links in the chain of transportation whereby the people move their goods from one place to another. The Congress shall have power to regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes; we find in the Constitution of the United

States, and what the Congress may do in the exercise of this power which the states have granted to it is of paramount interest to every port official. It is, therefore, of the utmost importance that we maintain that degree of contact and cooperation with our representatives in the Congress which will insure a mutual understanding of our port problems, many of which Mr. Baer has referred to, to the end that the members of Congress will, in truth and in fact, represent the sovereign states in those interests and activities of the states which they have in common with each other and the regulation of which they have entrusted to the Congress. The most important question in the situation is the one of common interest, and I believe, as I have suggested, that under the Constitution as it now stands our interests will be best served by close cooperation with our members in Congress.

One matter in which the ports are interested is the regulation of interstate commerce handled by water carriers engaged in the inter-coastal service. If the attitude of the Congress toward this particular field of transportation is indicated by the action of the Senate in adopting the Wheeler Transportation Bill, No. S. 2009, and the action of the House committee in recommending the bill proposed by its Interstate Commerce Committee as a substitute for the Wheeler Senate bill, both of which place all forms of transportation under the Interstate Commerce Commission, evidently the present members of Congress generally feel that one regulatory body is better than to have the water carriers regulated by a separate commission. It may be that the majority of port officials may feel that their interests are more closely related to those of the water carriers and that regulations should remain in the hands of a separate commission such as the Maritime Commission. The point I wish to make, however, is that if all port officials and all members of the Congress should maintain at all times that high degree of close contact and cooperation, which it is so apparent that they should, it would go a long way towards solving the problem of the manner and method of regulating the various means of transporting interstate commerce.

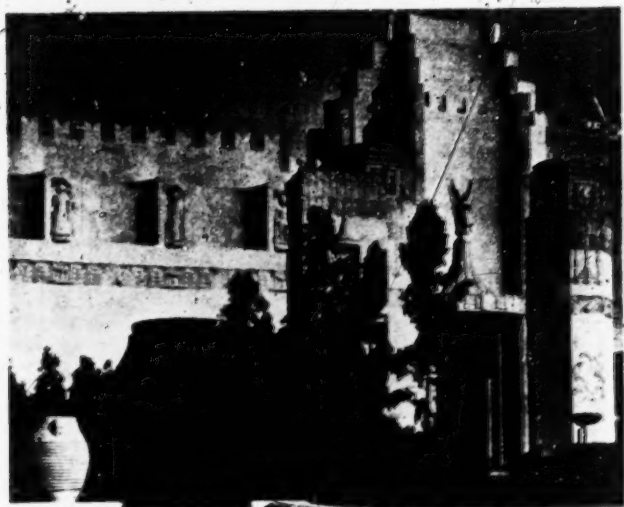
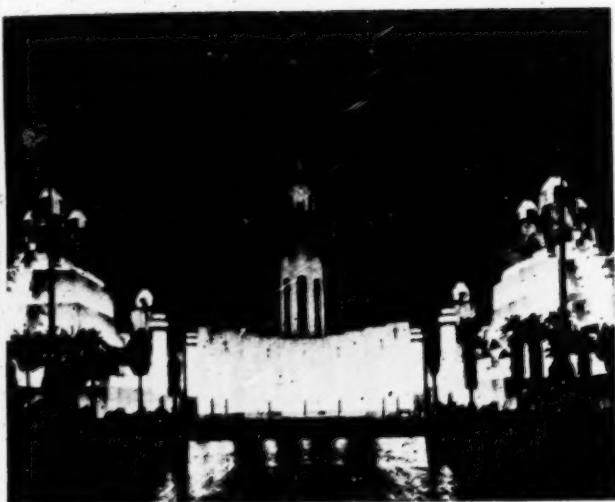
It must be admitted that there will always be in a country, such as ours, with its diversified geography and commercial and agricultural interests, differences of opinion, but if our union of states is to survive and fulfill the purpose for which it was formed selfish and local interests must give way to the general welfare and good if they cannot be taken care of without affecting the general welfare. Some may agree that Coordinating Eastman's proposal to regulate public wharves might be a good solution to some of our problems, while others would bitterly oppose such a proposition. Where, however, would be a better place to reconcile such differences and bring harmony out of discord, than to work out such problems in the manner suggested? The election of good men to the Congress, of course, is essential, and I feel in that regard that the ports can lend their aid and assistance by keeping the public well advised as to their problems and needs. If a public official can convince the people that his sole aim and purpose is to be as good a servant as it is possible for him to be, he can always be assured of a receptive and attentive attitude on the part of the people when he comes to them for help in solving his official problems.

Close cooperation with the Congress would also result in the framing of legislation affecting ports in language so clear in meaning as to leave no doubt as to its intent and purposes, and do away with much of the present practice of running to the courts for interpretations and judge-made laws.

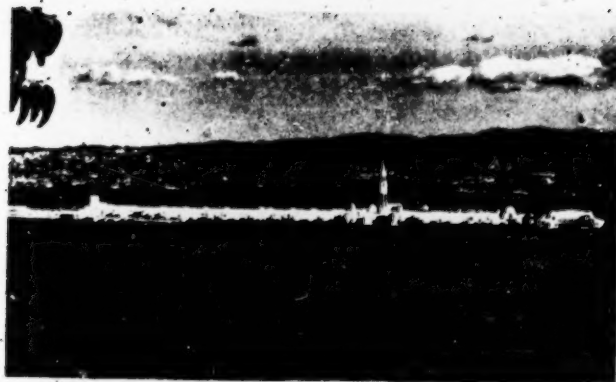
In conclusion may I refer to one of Mr. Baer's statements in which he says that it is not a question as to what Congress may in fact do which concerns us, but the power which it is seeking to acquire, and in support of his proposition he states that Congress has enacted recent laws which provide for the assessing of taxes for social security, for unemployment relief, for the activities of the National Labor Relations Board, and for other details of government, as a phase of the power granted to it under the commerce clause of the Constitution. May not these enactments rather have been the outgrowth of the efforts put forth by a mere handful of officials to effect a new theory of government, whereby the executive and administrative branch suggests or originates legislation for the Congress to adopt instead of legislation originating in the minds of the representatives of the sovereign states assembled in Congress as a result of the demands of the people throughout the nation to meet a common need. It may be the kind of cooperation with our representatives, which we have been discussing, and the assistance and backing, to which they are entitled and should have, will shift the origination of legislation to the place where the framers of the Constitution had an idea it belonged; and

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Treasure Island Nocturne. The main entrance to the Golden Gate International Exposition.



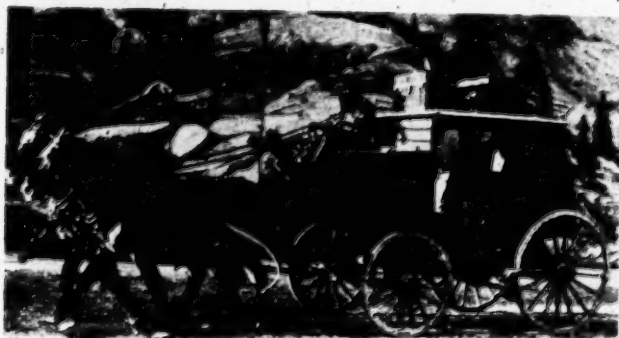
Camera Study in the Court of the Moon.



Treasure Island basking in  
California's summer sun.



Pacific, Goddess of  
the Pacific Pageant,  
stands majestic before  
a Buddhist prayer cur-  
tain whose tinkling  
bells denote that the  
supplicants' prayers  
have been heard.



This original Wells Fargo  
coach took part in the thrilling  
Cavalcade of the Golden West.

...a consequence it may also be that we will hear no more of "must" legislation. Let us elect good men to Congress, get behind them and stay with them. (Applause.)

**PRESIDENT ABEL:** Thank you very much, Mr. Leach, for that fine discussion.

The Resolutions Committee is now in session. The Chairman of that committee, Mr. Smith Wilson, requested me to announce that if you have any resolutions, please get them to him right away. You will find the committee in the lobby.

The next paper is Paper No. 11, "Federal Tideland legislation," by Mr. I. M. Stevens. (Applause.)

**MR. STEVENS:** Mr. Chairman and gentlemen of the Convention:

#### Federal Tideland Legislation

By IRWIN M. STEVENS, Plaintiff  
Board of Harbor Commissioners  
Long Beach, California

It gives me great pleasure to have this opportunity to discuss with you the subject of Federal tideland legislation; and to point out some of the results which must inevitably come from certain measures now pending in Congress. The recent discovery of valuable offshore oil deposits in California, Texas and Louisiana has inspired proposed Federal legislation which if ever enacted will jeopardize public titles to waterfront lands throughout the country.

In 1937 what has proved to be the most productive oil deposit in California was found at Long Beach Harbor. The richest part of this field is located under the ocean upon lands owned by the City of Long Beach. Shortly after the discovery of oil, many private individuals filed applications for prospecting permits under the Federal Leasing Act, hoping in that way to secure oil rights in city lands merely by paying a five per cent royalty to the Federal Government. The Department of the Interior, however, denied such applications, upon the ground that the Federal Government did not own or claim to own such lands. This, however, did not deter the applicants. They proceeded to have measures introduced in Congress whereby the Federal Government would make the claims necessary to permit the Department of the Interior to issue prospecting permits, and to force the United States Attorney General to litigate those claims in the courts.

Accordingly, in August of 1937, Senator Nye of North Dakota introduced a joint resolution in the Senate whereby the Federal Government asserted title to all oil deposits along the coast of the entire United States between low-water mark and the three-mile limit. The resolution peremptorily directed the Attorney General of the United States to commence and prosecute litigation designed to assert and establish the claim thus made and to remove all persons from such lands.

The true significance of this measure was not at once observed. It was passed by the Senate and referred to the House of Representatives. It then came to the attention of those charged with the duty of safeguarding our harbors. They promptly saw that if the Federal Government could claim waterfront oil lands, a similar claim might be made to any other tidelands. Port authorities in all sections of the country banded themselves together and opposed the Nye Resolution at the hearings held before the House Judiciary Committee in February of last year. Louisiana and Texas, having similar offshore oil deposits registered vigorous protest. Representatives of the Atlantic, Gulf and Pacific ports testified before the committee and pointed out the danger to our water-borne commerce necessarily created by such "radical" legislation.

The proponents of the Nye Resolution were equally active and after the committee hearings were completed, Representative Hobbs of Indiana proposed an amendment restricting the application of the Nye Resolution to California lands. Apparently it was hoped that this move would placate the opponents developed outside of California. As amended, the resolution was passed by the House Judiciary Committee by the close vote of 8 to 10. Before the amended resolution could be acted upon by the Senate, the 75th Congress adjourned.

Promptly upon the convening of the present Congress, Senator Nye again introduced his resolution in its original form. The opposition became more militant than ever. He then introduced the resolution with the Hobbs amendment, making it applicable only to California. Similar resolutions were introduced in the House of Representatives. In March of this year, hearings were held by committees of both houses of Congress and all phases of the matter were carefully explored. Again the measures were fought, not only by those interested in the oil question, but by the port authorities of almost every city in the country having a deep-water harbor. By reason of this concerted opposition, the Nye Resolution appears to have been defeated in committee, temporarily at least. Its dangers are so great, however, that we must remain constantly on guard.

Before discussing the effect the Nye Resolution will have upon our harbors, the arguments advanced in support of it should be examined. At first blush, many of them seem plausible. In general, they fall into two classes. One set of arguments is based upon the assertion that under the law, the Federal Government is the owner of all lands between low-water mark and the three-mile limit. The other arguments proceed upon the theory that the Federal Government has the right to take and refuse to pay for subsurface oil deposits regardless of who may own them.

Some of the proponents of the Nye Resolution claim that our oil reserves are being constantly depleted and that in the near future our supply of oil available for naval operations will be exceedingly limited. This argument, of course, overlooks the well-established fact that our known oil reserves, instead of decreasing, are actually increasing. New oil deposits are being discovered at a rate far greater than our oil consumption. Our known reserves today are nearly twice as great as they were a few years ago. We are, in fact, struggling with the problem of overproduction. Many who have given the matter careful study assert that the danger of exhaustion of our oil reserves is remote indeed. New methods are being developed for the extraction of greater quantities of gasoline from a given amount of oil. Our chemists have worked out processes for the manufacture of synthetic gasoline, and it is probable that within a few years we will not be entirely dependent upon natural petroleum for either our naval or civilian fuel supply. It appears, therefore, that the almost constant fear of conservation of oil is exaggerated.

However, even if it be assumed that conservation of oil resources is immediately required, will the Nye Resolution accomplish this purpose? So far as the Long Beach Harbor oil field is concerned, it will not and cannot. As everyone familiar with the oil business knows, oil is fugacious. It does not remain in one spot. A single well will drain oil from an entire ten-acre parcel of land. In the Wilmington Long Beach Harbor field more than 600 wells have been drilled. Each of these wells drains oil for a distance of at least 500 feet in every direction, and without regard to property or tide lines. At Long Beach harbor, wells have been drilled on the beach and are draining oil from under the ocean. The field has been opened and the oil in the ground cannot be conserved for future use unless almost every well in the field is shut down, including those drilled upon privately owned uplands. If the private island wells are not shut down they will drain the oil from under the ocean. The only way the public can gain any benefit whatever from this great underside deposit is by the drilling of public wells, which is the antithesis of non-production.

The proponents of the Nye Resolution, however, have, in fact, no intention of conserving oil. Many of them have applied for permits under the Federal Leasing Act, by means of which they expect to dredge these very lands upon the payment of as little as 5 per cent of the oil to the public. At the hearings held before the House Judiciary Committee in February of 1938, their lobbyists blandly asked the committee to fix the resolution in such a manner as to permit the Department of the Interior to grant drilling permits to them. Is it not at once apparent that the conservation argument is counterfeit?

I willingly concede that in case of military necessity the Federal Government has the right to take possession of any oil field in the entire United States, regardless of who owns it. Under that power it could take over the Long Beach Harbor field and, if the necessity existed, the Navy would be welcome to every drop of oil in that great deposit. Such necessity does not now exist, however. We are at peace. And under such circumstances the Navy has no more right to confiscate oil in Long Beach than it has in Keokuk Hills or in Pennsylvania. It probably has the right to condemn such deposits

even in time of peace, but it must pay their reasonable value. The supporters of the Nye Resolution, however, do not intend that the Federal Government shall pay for these undersea deposits, and appear to be willing to disregard our constitutional provisions forbidding the taking of property without due process of law or payment of full compensation. If Long Beach can be required to fuel the Navy without compensation, why cannot the steel mills of Pennsylvania be required to build its guns gratis? This, I believe, is a sufficient answer to the argument that the Federal Government has the right to take, without regard to ownership, any part of the Long Beach oil field or any other.

The contention that the Federal Government owns the lands between low water mark and the three-mile limit presents a more serious question. The advocates of the Nye Resolution freely admit that the several states are the owners of the tidelands within their borders. This has been determined by our appellate courts in hundreds of cases throughout our history. However, in order to give apparent substance to their claim, the supporters of the Nye Resolution draw a hair-line distinction between "tidelands" and "submerged lands." They say that the term "tidelands" includes only that narrow strip of land between high water and low water marks, and does not embrace any land below low water mark. They point out that in practically every important case in which the United States Supreme Court was called upon to adjudicate waterfront titles it used the term "tidelands" and has never rendered any important decision in which it has so many words held that the states are the owners of their "submerged lands." Though the argument is technical in the extreme, it is surrounded by an aura of plausibility. However, when we dig into the facts of the various cases which have been decided by the Supreme Court, we find that many of them actually involved lands located below the line of low tide. This clearly demonstrates that the court understood the word "tidelands" to include everything from the high tide line to the three-mile limit, and that it has never found it advisable to distinguish between tidelands and submerged lands, or to apply different principles of law to either of them.

The proponents of the Nye Resolution say that they desire merely to have an adjudication by the court upon this microscopic point of law. Simultaneously they argue that none of the states should object to having their titles passed upon by the courts. This argument, until analyzed, appears to be reasonable. If the states really own the lands below low water mark the court will so decide, and no state should fear the result. That, however, is not the whole story by any means. Though we seldom stop to think of it, one of the corner-stones of our government is the security and certainty of land titles. This is particularly true with harbor frontage. The cost of making harbor improvements runs into staggering sums. Much of the money necessary for construction of terminal facilities must be raised by the issuing of municipal and other bonds. No such improvements can be made with any degree of safety unless the title to the lands upon which they are built is clear. No city has the power to build wharves or other facilities upon lands which it does not own, and city money should not be spent for improving Federal lands. Any bloud upon a city's title to its waterfront lands must, therefore, of necessity impair it not destroy its ability to make harbor improvements. Our whole harbor construction program can be brought to a standstill by a serious threat upon the title to harbor land. For this reason alone, litigation over the title to such land should never be commenced unless vital questions are involved and the matter cannot be settled in any other way.

The adoption of the Nye Resolution will inevitably create a serious cloud upon all harbor lands in every seaport in the United States. Harbor construction will be effectively retarded until the courts have finally disposed of the controversy. It is, therefore, at once apparent that the states have much to fear from needless litigation of their titles. Even if the states are ultimately successful, their construction programs will be seriously impeded. Projects which will create much present employment or labor will be indefinitely delayed while the lawyers argue and the courts ponder.

In view of this, is there any real need for a court decision on the question raised by the Nye Resolution? Is the question acute enough to justify such a great and certain loss to our people? As I pointed out a few moments ago, the Supreme Court of the United States has uniformly held that the several states are the owners of the tidelands within their borders, and that such decisions have been rendered in cases which actually involved what the proponents of the Nye Resolution are pleased to call "submerged lands." That august tribunal has never seen fit to apply any different principles of law to sub-

merged lands than to tidelands, and there is no reason to believe that it will now do so. Many eminent lawyers have expressed the opinion that the distinction between "tidelands" and "submerged lands" without foundation in law. So far as court decisions are concerned, the supporters of the Nye Resolution have little of nothing upon which to rely. They claim merely that the court has in the past failed to decide the question which they have created, though this is to admit that the principles necessarily involved have been adjudicated times without number. And what will happen if no court ever on the question raised by the Nye Resolution? Our cities and states can and will continue to build and improve our harbors without interference by the Federal Government. Improvement projects can continue employing, as they will, thousands of men and consuming enormous quantities of materials. Of course, the small group of private individuals who seek prospecting permits upon offshore water oil deposits will have to look elsewhere for great wealth.

But the question raised by the Nye Resolution has been decided by others than the courts. More than forty years ago Congress declared a firm state ownership of submerged lands. During the early history of San Francisco the case of Knight vs. United Land Association was decided by the Supreme Court of the United States. In that case the court ruled that under the treaty which ended the Mexican War the United States acquired all tidelands in the conquered territory held them in trust for the future states which might be erected out of that area. Years later, in the act providing for the government of Alaska, Congress adopted almost the precise words used by the court in the Knight case and affirmatively declared that the United States held all lands below low water mark in trust for any future states which might be erected out of Alaska. That act is still on the books. By it Congress has unequivocally recognized the ownership of the states of all lands within their borders below low tide, because our union all states have equal rights.

But this is not an isolated instance. Time after time since the signing of our history the Federal Government has asked and received from the various states grants of tidelands and submerged lands to be used for the construction of navy yards, arsenals and Federal projects. In California alone, several such grants to the Federal Government have been made by the state and various cities. Certainly, if the Federal Government claimed ownership of such lands it would not have asked for grants from any state or any city.

In addition to the activity of Congress upon this question, the activity of other governmental agencies is highly significant. The department of the Interior has refused to issue prospecting permits on submerged lands on the ground that the Federal Government does not own them. That is one of the primary reasons for the introduction of the Nye Resolution.

In all of our history, the Attorney General has never been called to resolve from any of the states or cities of our nation any lands below low water mark. This cannot be attributed to ignorance or carelessness, because we have had many able, industrious and capable Attorneys General. None of them has ever, so far as I am aware, questioned the title of the several states to such lands. Indeed, there have been three long hearings held by Congressional committees upon this subject during the last two years, no member of the Attorney General's staff has so much as expressed the opinion that the Federal Government is the owner of submerged lands. At the hearings held in February of 1935 a representative of the Attorney General's office refused to give an opinion on the question, and stated that the office was investigating the matter. At the two hearings in March of this year, one by the Senate and the other by the House of Representatives, no member of the Attorney General's staff was called as a witness. Can it be that the advocates of the Nye Resolution do not value the opinion of the Attorney General of the United States? Or do they fear that his opinion would be adverse? And the significant fact is that these resolutions do not merely authorize the Attorney General to commence litigation with the states and the cities, if he finds that ground for such proceedings exists. He is ordered to begin such suits regardless of what his opinion as to the merits may be. One of the lame arguments advanced in support of the resolution is that it will permit the Attorney General to act on argument tell flat when it was pointed out that the Attorney General not only had the right but was under a duty, to sue if the Federal Government has a legitimate claim.

The claim of title by the United States, therefore, seems utterly unfounded. None of our courts have ever decided that the Federal Government owns the submerged lands, and have man-

countless decisions clearly indicating the contrary to be true. Congress itself has confirmed the states' claim of ownership. The acts of the Attorney General and the Department of the Interior demonstrate clearly that until the advent of the Nix Resolution, no doubt existed as to the title of the several states to the submerged land within their boundaries. Though I am not a lawyer, these arguments seem decisive.

In addition, to being legally ineffective, the New Resolution is odious in principle. May I direct your attention to the fact that the delay caused by this New Resolution cost the loss of over a million one hundred thousand dollars to the city, who represented the people, while awaiting the resolution in Congress, and waiting to beat the New Resolution in Congress last March. Private owners took that money out of deposits into their pockets. It ignores the fact that, our Federal, State and City governments are all servants of the people who elected them. It is an attempt to create what really amounts to a governmental civil war. For the resolution, the Attorney General of the United States, a servant of the people, is ordered to communicate with states and cities, "their public agencies, State courts, and be degraded by other authority, hauled at public expense. It is as if one of our truck drivers should pick a fight with another of our drivers, either to give up possession of your truck, so that your goods might be delivered, or in the battle both will be hurt, you will pay their medical bills, and their Workmen's Compensation, and your goods will not be delivered at all. No private business would tolerate such a misbegotten a party on the part of its employees. In principle, the New Resolution is equally as ridiculous as such a truck driver's quarrel would be.

Such administrative strife can be costly to the public. In Long Beach, we were forced to submit in just such a situation, and it resulted in substantial loss to both public bodies involved. In 1911 the State of California granted to the Long Beach Board of Public Works a 100-acre tract of land. Shortly after the discovery of oil in the field, then the State of California, relying upon a highly technical construction of the 1911 grant, claimed ownership of the city's individual deposits. Inspired by the state claim, a taxpayer commenced an action against the city and secured an injunction stopping operations upon that city wells then being drilled in the heart of the field. The controversy was ultimately decided in favor of the city by the California Supreme Court. The case was handled with extraordinary results, but in the brief time required for the decision, inevitably we had drained large quantities of oil from city lands. It has been estimated that this taxpayer's suit cost the city one branch of the public in the neighborhood of fifty thousand dollars, instead of the state now in its claim ownership of lands which would have been granted to the city. This great public loss was wholly unnecessary and might easily have been prevented had the state been satisfied in granting the city's lands.

The same thing can happen to the New Realism as ever happened to fact: a state is now coming in from Brazil in which a new, but still a state, is coming in, the new Federal system of the United States. If, however, there is any substantial question as to the right of succession, and the public interest demands that it be set aside, the state is not a state, and the public interest demands that it be set aside. In a humble opinion it is the duty of the Federal Government to stand in what we think it may have to the subordinated state within the state of any of the state. I say this not because of its connection with a state government, but because of a sincere conviction that the public interest will be best served by state and not national ownership of waterfront lands.

My reason for this position are obvious. It is considered by all concerned that the states and their grantees are the owners of that natural resource that is our navigable lake, and low water. This, not to deny the construction of harbor works requires the use of navigable lake as well as low-lows. Whatever must be built from the upland to draw water if a harbor is to be accommodated vessels larger than 200 tons. A later share of all harbor improvements are constructed up high lands long below low tide. If the Federal Government own below and the state owns above the low tide line, divided ownership of all harbor facilities will result. Before any improvement can be made, it will be necessary for the local and Federal officials to come to an agreement in leasing the cost of construction but in the end, the state and sharing of revenue. It is inevitable that under such an arrangement, the state governments will work at cross purposes with the Federal government and suffer. Such a condition would be intolerable. It

however, a necessary result of divided ownership of the terminal facilities.

It has been reliably reported that no less than three and one-half million dollars have been invested in harbor and marine terminal facilities by municipalities and other public port districts. Much of this enormous sum was raised by the issuance of bonds by the Federal Government establishes ownership of all lands below low tide; the security and value of these bonds will be greatly impaired. Money further needed for harbor improvements could now be raised by the issuance of bonds.

For these reasons it is his sincere belief that this organization should fight the New Resolution with every weapon at its command. In addition, as soon as possible, measures should be enacted by Congress whereby the Federal Government will recover in the several states any possible claim of ownership which it may have to all Indian lands and submerged lands within the boundaries of the several states. In this way, credit and income earning potential can be avoided and the public will be spared the damage which it is certain to sustain if any further claims to such lands be made by the Federal Government.

Thank you, (Apo)

PRESIDENT ABEL: Thank you very much, Mr. Stevens, for the informative paper.

We have a discussion of this paper by George Nicholson, Consulting Engineer of Los Angeles.

MR. NICHOLSON: Mr. Chairman and Members of the Association:

The subject has been well covered this morning, and I am very glad it has, because it is a very important problem so far as Port Authorities are concerned. My paper is brief, however, so it will take little time to read it. I might say that a year ago the American Association of Port Authorities appointed a special committee. At that time Mr. Cohn, chairman of the Law and Legislative Committee of the American Assoc. of Port Authorities, recommended the appointment of three from his committee and two engineers from the Port Department and Construction Committee, and I happened to be the Pacific Coast representative on that committee, so I presume that is the reason Mr. Abel asked me to present that discussion.

## Federal Tideland Legislation

*Discussion by* GORDON L. NICHOLS, U.S. Geological Survey, and  
JAMES L. LEE, American Consulting Engineers' Association

Mr. Irwin M. Stettin has prepared a very instructive and informative paper on this subject, and has pointed out many of the dangers to the West existing in most parts of the government were involved in their treatment of acquiring title to the indigenous lands of this country.

Under the Federal New Republic laws, says the writer, there followed a "long period of complete lawlessness" from which the country was not saved until the "American soldiers" came, who "did not try to afford any sort of aid or comfort."

[illegible]

That nothing contained in this court resolution shall be construed

strued as a taking, as authorizing a taking, or as ratifying a taking, of any property by exercise of the power of eminent domain, nor shall this joint resolution nor anything herein contained, nor any inference or deduction which may be drawn herefrom or from any part hereof, be construed as releasing, waiving, abandoning, disclaiming, or affecting in any way whatsoever any right, title, claim, or interest which the United States of America has or would otherwise have to other petroleum deposits and submerged lands or the right to set aside other petroleum deposits and submerged lands elsewhere as national petroleum reserves or for other purposes.

I think you will agree with me that that language is very broad, and at the second hearing we had in March of this year, we hammered on this Section Three. The representatives of the other states, Florida, Texas, and a number of the other coastal states, took the same view we did.

Mr. Stevens has referred to the proponents of this legislation as being the applicants for Federal oil and gas leases on the California coast. It is true that a number of the 111 individuals and their attorneys who have made 130 applications for Federal prospecting permits and oil and gas leases on tidal and submerged lands have interested themselves in this legislation, but the chief proponent has been the U. S. Navy. At the recent Congressional hearings the case of the proponents' resolutions was presented almost entirely by Congressman Hobbs of Alabama and the U. S. Navy representatives. The Navy desires to establish additional naval oil reserves, and if this were done then the applicants for oil and gas leases would, of course, not be granted leases, and they would receive no benefit from the legislation.

We have no quarrel with the United States Navy, as far as expanding their naval reserves is concerned, but our contention is that the petroleum deposits in our tidelands is so small a per cent as compared to the known petroleum deposits in the whole country that they should be responsible for expanding the tidelands to the interior.

At the recent Washington hearings the question was asked by several of the opponents of the resolutions why was not the Attorney General's office represented to give the Government's views on the legality of the Government ownership of submerged lands? This was well answered by the Navy representatives at the hearings in their statement that the Attorney General did not at present have the authority to acquire title to the submerged lands without a legislative declaration by Congress on the basis of the need of petroleum reserves for national defense. They conceded that a court decision supporting the Congressional declaration would have to be more political than legal. Therefore you can see the danger resulting from the passage of any of these resolutions.

At the recent hearing before the Senate Committee on Public Lands and Surveys the following interchange between Senator Johnson and Senior Attorney Mc Nemar of the office of the Judge Advocate General of the U. S. Navy took place and can be found on page 422 of the official transcript.

"Senator Johnson of California—You hold, therefore, that you have the right to go into all the ports and take all the ports' property or all the property that has been constructed thereon and therein, just the same as you have to take the oil in this particular case."

"Mr. Mc Nemar—Of course, that would necessarily follow. I think, from these citations of authority, but that is not what is being contended for in the resolution."

"Senator Johnson of California—That is what you contend is the law?"

"Mr. Mc Nemar—Oh, yes, I cannot change that."

"Senator Johnson of California—But with the reasons as signed, or any of them, you could, without due and just compensation, take all of the port facilities."

"Mr. Mc Nemar—It all the port facilities were below high water mark. I take it that that probably would be true."

Nothing could more definitely show the danger to all ports of the trend of thought advanced by the Navy in the above statements.

The Law and Legislation Committee of the American Association of Port Authorities, which has carefully considered the legal question, contends the Federal Government has no right or title to tidelands or submerged lands or to petroleum or other mineral deposits forming part thereof. Title to such lands is, at least the three-mile limit, and in some cases to a greater distance, is in the states or their grantees or the grantees of their predecessor sovereigns. It is also the opinion of

the committee that it is impossible for the Federal Government to argue that it has a paramount right to take petroleum from submarine deposits (without just compensation) without arguing that it has title to all lands under water.

Therefore, if the Government program were successful, it would mean we would lose our submerged lands as well as the public and private facilities constructed thereon. It has been estimated that the value of the latter facilities, not considering the value of the lands in the United States is approximately \$1,775,000,000.00.

You gentlemen know the public ports' ownership and control in most cases is a small fringe around the waterfront, and must be built on reclaimed and submerged lands.

Mr. Stevens, in his paper, has referred to the definition of tidelands, and states in his opinion tidelands also include submerged lands, and refers to the fact the numerous court decisions in California and other states have continually referred to submerged lands as tidelands. I believe Mr. Stevens is perfectly correct in his interpretation of the word tidelands. At the recent Washington hearing the Navy attorney attempted to draw a fine line of distinction between the area exposed at varying stages of the tide and submerged lands, claiming that ownership in the former was in the states and in the latter in the Federal Government. One of the members of the House Judiciary Committee requested me to submit a definition of tidelands, which is quoted below, and I believe it describes this land in as engineering and practical way and coincides with the opinion of Mr. Stevens as expressed in his paper.

"Tidelands are lands located seaward of the mean high water line, a portion of which—between mean high water and mean low water—are exposed at varying stages of the tide while the remainder, below low water, are always under water subject to the tidal action and commonly known as submerged lands."

In the last paragraph of Mr. Stevens' paper, the following recommendation is made:

"Measures should be enacted by Congress whereby the Federal Government will release to the several states every possible claim of ownership which it may have to all tidelands and submerged lands."

Personally, I believe this inadvisable because we recognize no claim of the Federal Government at present, real or implied, and certainly no such claim has ever existed. A quit claim action, as such, would perjure the title of the present owners—the states, municipalities and port districts.

Regarding the present status of this legislation, the Subcommittee of the House Judiciary Committee, which held the hearing on the subject in March, has submitted a unanimous report to the main committee opposing the resolution. The Senate Committee on Lands and Surveys have not acted as yet, but we are hopeful that they will also submit an adverse report before the session ends. We believe there is no likelihood of any favorable action supporting the resolution at this session of Congress. However, it is possible the matter may be continued for consideration at the next session, since the resolution does not die at the end of the present session.

This is prior to the adjournment of Congress, and the present title of the United States Senate Committee has given consideration to the matter, but it is still on the docket, and they have made no recommendation.

The Special Committee appointed by the American Association of Port Authorities will continue to work with all of the public authorities, private terminal operators and related industries to assist in opposing this Federal legislation, but it behooves all of the port activities to be on the alert in opposing such resolutions that have been introduced in the past or may be introduced in the future on this subject.

Thank you. (Applause.)

PRESIDENT ABEL: Thank you very much, Mr. Nicholson for your fine discussion. Is there any further discussion on this subject? If not, we will proceed to the next paper, Paper No. 12, "Handling Forest Products and Marine Terminals," by Mr. W. J. Murphy, Manager of the Port of Grays Harbor, Washington. (Applause.)

MR. MURPHY: Mr. President and gentlemen:

## Handling Forest Products at Marine Terminals

By W. J. MURPHY, *Manager and Engineer*  
Port of Grays Harbor  
Grays Harbor, Washington

Lumber, shingles, logs, plywood and other forest products make up a large percentage of the cargo shipped from ports of Oregon and Washington. Considerable progress has been made in the manner of handling these commodities, and a brief outline of these methods is my subject for discussion.

Grays Harbor is primarily a lumber port. It has been my privilege to discuss with men engaged in the manufacture and shipping of lumber from this port their experiences during the past thirty years, when they have shipped on 15,000 vessels in excess of 17,000,000,000 feet of lumber to the markets of the world. The Ports of Tacoma, Olympia, Port Angeles, Willapa Harbor, Cosco Bay and the Columbia River ports that maintain public terminals have been in the past, and still are, dependent upon lumber and other forest products for their principal revenue.

Men engaged in the stevedoring business recall when it took thirty days to load a vessel carrying a million feet board measure of lumber. While today modern carriers will take aboard a cargo of four million feet in a week or ten days, and it is not unusual to have three of these vessels loading at one terminal at the same time. Naturally the movement of lumber to ship's tackle had to be speeded up to keep pace with this progress in loading.

Lumber mills first sprung up along the navigable waters, and each mill had its own wharf. Later, as the lumber line receded, mills followed and located where they could enter rail business and still be close enough to the water to compete in world markets. The development of inland mills is largely responsible for the building of many public terminals in the Pacific Northwest, because private operators were not equipped to handle the volume of business offered.

Old-time sawmills had no sorting chain. All lumber came off of the drop at one end and was placed on two-wheel carts carrying about 500 feet board measure. These carts were pushed to the edge of the wharf and unloaded by hand into huge piles awaiting the arrival of a vessel. When the vessel arrived the lumber was pushed over the rail to hand. It was inspected and tallied as it cleared the rail. Later, when sorting chains were installed, the lumber was segregated into different sizes. It was placed on two-wheel buggies holding about 1,000 feet board measure and was drawn to the edge of the wharf by one horse. With the introduction of gas tractors the same carts were used, but instead of a horse, a mule was used to pull the load to shipside. Today a modern mill will take its sorted lumber from the chains and place it directly on carrier blocks, regardless of whether it is going to move by rail, by water or be transported to the back area for storage. Modern cranes with high-piling capacity are used in the back area for picking up carrier loads and placing them in storage awaiting shipment. This conserves space, and it is cheaper to rehandle than to provide a large area where the lumber can be left on blocks.

Lumber carriers referred to are the straddle type truck, which are built for load sizes ranging up to seven feet wide by seven feet high with load capacities up to eighteen tons. They are self-loading and self-unloading; will pick up or deposit a load in two to five seconds; have speeds up to fifty miles per hour forward or reverse; they are built with either four or six wheels, and are equipped with pneumatic tires. The size adopted as standard around the terminals and mills of the Northwest carries a load 42 inches wide which averages around 2,000 feet board measure. Lift trucks especially designed for handling lumber are fast becoming popular. They are used largely in connection with plants equipped with carriers. They can be used to good advantage in high piling, loading or unloading cars or trucks, and one operator does the job which would require at least two men with a crane.

While waterfront mills and those located close enough to a terminal to avail themselves of carrier service, deliver their cargo to shipside in trucking lots, most inland mills deliver their lumber on open flat cars or by motor trucks. Where for car moves directly to ship's tackle the unloading problem is shifted from the terminal operator to the stevedore, but it is to be unloaded into storage, then the terminal has the grief of unweaving a poorly loaded car, and it is for this reason that low piles is the only fair way of assessing handling charges. Motor trucks that must have their loads lifted off are a nuisance at best. They usually arrive when the cranes are busy serving a vessel

or doing some other work, and no one can afford to pay the full amount this service is worth. It is my opinion that any terminal that unloads lumber from motor trucks with a crane will lose money on the operation, because they cannot be compensated for the broken time of a crane crew. The new type lift truck is a good machine for unloading trucks; it will do the work cheaper and easier than a crane, and if there is plenty of space available its load need not be repiled.

From 1923 to 1929 most lumber terminals were so congested that only a part of the cargo could be unloaded on the wharf, the rest was piled in the back area, and when the vessel lifting this cargo arrived, it was reloaded to flat cars for direct transfer. This method is still employed in some places, but the more economical method, if space is available, is to unload it from car to carrier blocks, and then when the vessel arrives deliver it direct to shipside by carrier. This saves one handling.

Where lumber is piled on a wharf that is equipped with cranes the usual method is to take the lumber direct from pile to shipside in one operation, but if the storage pile is 500 feet or more from the vessel it is quicker and more economical to load it on carrier blocks and let the carrier do the traveling rather than move a log crane back and forth with each sling load.

A public terminal that specializes in the handling of forest products must be prepared to handle both green and dry lumber. Dry lumber that arrives by box car must be man handled, and there is no method yet devised which beats this. There are some mills, especially those that cut export spruce, which ship air-dried lumber on flat cars covered with tarpaulins. This can be unloaded by crane outside if the weather is dry and brought into the shed by carrier, but if an inside unloading track is provided and a bridge crane is installed overhead the cheapest and best service can be given the customer.

Many of the lumber terminals in the Northwest receive a large part of their lumber and log cargo in rafts or on scows for direct overboard loading. This, of course, does not require any handling by the terminal—the vessels merely occupy a berth.

One of the difficulties that a lumber terminal operator experiences is getting equipment to take care of peak business and still have some use for this equipment when it is not required for serving vessels. In order to overcome this condition, at least in part, many of the smaller ports have developed a log-loading and unloading business which has no connection with vessel movement and consequently is a good fill in job. At Grays Harbor it has been this incidental business that has kept us going during the slack periods in the lumber business. At present we average around 600 cars of logs per month which are unloaded from gondola cars to the water and we load out about 70 cars of logs per month. This keeps two cranes busy most of the time and still leaves them free for ship's business when required. In most lumber districts transfer companies are equipping themselves with modern lumber carriers. If it can be rented for \$2.50 per hour, with a driver, this is as cheap as owning them, and calls for no capital investment.

This subject of handling lumber could be discussed indefinitely, but since time is limited I will move on to other forest products.

Shingles move in large quantities from many of the Northwest ports. The methods of transporting them from place of rest on the wharf to shipside vary the same as handling general cargo commodities, but due to the restricted size of load by the longshoremen and the insistence that a definite size gang be employed for each gear, it does not really make much difference what method is employed—the cost is about the same. Without restrictions the lift truck is perhaps the most economical method of handling shingles, but as long as it takes six dock men and a mule driver to each gear, with load limited to thirty bundles and the average speed of loading pegged at 600 bundles per hour per gang, any equipment that delivers to shipside twenty loads per hour is good enough.

While plywood is a forest product, it really is a manufactured article which is handled the same as general cargo. Plywood for domestic shipment is usually loose, while export is in bundles. It arrives at the terminal either by truck or by box car. When arriving by truck it is unloaded onto the floor of the terminal and rehandled by longshoremen to lift boards or direct to flat-top trucks for transportation to shipside. When arriving by rail it is usually unloaded direct to lift boards and stacked up awaiting arrival of vessel. Olympia and Tacoma handle more plywood than other Northwest ports, and their method of handling is as above outlined: At Grays Harbor the plywood is unloaded from cars, taken into the shed on flat-top trucks and piled up with a bridge crane. When serving a vessel the crane and four

men can load flat-top trucks for as many as five gears, but the same gang is required for loading one gear. This method is employed simply because we have a bridge crane and do not have lift trucks, but if sufficient business were offered we would use lift trucks in preference to the crane, derrick, and flat-top trailers.

In conclusion, an ideal lumber-shipping terminal, from my observation, should have double tracks for direct transfer. These tracks should have frequent crossovers so the switching of one vessel would not interfere with others. The open wharf should have two high-piling cranes of the hinged-head type, with isosceles 100-ton legs that extend 50 feet over the side of wharf to place cargo on deck of a vessel or unload scows. The terminal should have a high shed with depressed rail tracks through it and a bridge crane overhead; a locomotive for switching is essential; lift trucks, also desirable, and lumber carriers are almost indispensable. The terminal should be located on slack water with at least 400 feet of unobstructed space on the offshore side of the vessel for loading from rafts and scows and to permit easy berthing.

Lumber is a bulky commodity. Its value is not particularly great, and it must be handled cheaply and efficiently. Modern equipment at a terminal is a necessity, not a luxury. (Applause.)

**PRESIDENT ABEL:** Thank you, Mr. Murphy. I was a little late in assigning the discussion of Mr. Murphy's paper. I did assign it to Mr. MacComber, Manager of the Port of Vancouver, but due to the lateness of the assignment, there was not sufficient time to prepare a discussion; and we will forego the discussion by him. However, if there is any discussion from the floor, we would like to have it at this time.

For the benefit of all present, I would like to state that the Port of Oakland has what we feel is a very efficient lumber terminal—the Ninth Avenue Terminal. If any of you gentlemen are interested in the handling of lumber, and would like to visit the terminal, I would be very happy to arrange for a visit. You can sign up at the desk, and we will see that you are accommodated.

The next paper is Paper No. 13, "International Fisheries Law Applied to Alaskan Waters," by Mr. J. A. Earley, President of the Port of Seattle. (Applause.)

**MR. EARLEY:** Mr. President and gentlemen of the Convention:

#### International Fisheries Law Applied to Alaskan Waters

By J. A. EARLEY, President  
Seattle Port Commission  
Seattle, Washington

No American citizen, much less those affiliated with port work and the far-reaching economic functions of maritime commerce, can fail to be concerned over the seriousness of the situation affecting the Pacific fisheries industries. Consequently, we are immediately interested in the International Fisheries Law and the interpretation, application and enforcement of all present or future laws that may appear necessary for the protection of American rights in Pacific fisheries, and thus the preservation of hundreds of millions of dollars' revenue for maritime commerce and kindred fisheries.

The Pacific fisheries problem, involving past and potential future controversy of grave nature and huge proportions, most seriously aggravated in recent years by costly and continued raids along the North Alaskan rim and in the Bering Sea area, has aroused concern throughout the United States and Canada, while today the complex situation may be considered at best only partially or temporarily remedied. It is a spooking problem of tremendous economic importance which, like an Alsatian volcano, may explode at any time with ghastly economic and international consequences.

It is my aim, therefore, to analyze this fisheries situation factually,

graphically and realistically, for purposes of common information as to its economic importance, neither presuming at this juncture to advocate new laws relating to the problem, nor to judge the adequacy of the present laws for the protection of American fisheries rights and the millions in commerce they involve, from the illegal invasion of American waters by Japanese or any other national fishing interests.

As you are well aware, the problem chiefly relates to salmon, not only one of our most important sources of protein food, but one of our most valuable industries on the Pacific Coast. Valuable to the degree of being indispensable.

Its economic importance may be gleaned from the fact that the average annual Pacific Coast and Alaskan salmon pack in recent years was valued at approximately \$97,000,000, and its far-reaching effects on maritime commerce and business pavilions generally are obvious. It is also known that Japanese invasion of American fisheries in recent years took a colossal amount of American propagandized and naturally American-owned salmon from technically and lawfully American fishing grounds. The vast importance of this loss economically can likewise be easily visualized—losses of potential port tonnage, losses in pavilions, losses in allied commercial trades and industries.

Perhaps one of the most lucid pictures of this critical situation in its international and economic aspects was given by United States Senator Lewis B. Schwellenbach in a speech before the United States Senate on March 8, 1937.

Some of the observations and figures offered by him now afford timely reference.

"This," said Schwellenbach, "at first blush might appear to be a subject limited in importance to the States upon the Pacific Coast. However, . . . the problem is one which should excite the interests of the entire nation."

We have been discussing legislation involving international relationships, particularly in the so-called neutrality legislation. It has been our objective to prevent, if possible, American involvement in foreign controversies. To avoid such involvement, the Senate has mandated the voluntary relinquishment of many rights, the protection of which in the past has been viewed as properly essential. I may say it is the unanimous opinion of all who are fully familiar with the problem of the threatened invasion of American fisheries that this problem contains potentialities which may more seriously threaten the peace of the United States than any other on the immediate horizon.

The problem is dangerous to our international relationships only if it is permitted to continue to be submerged and if the feelings that are now being encendered over it are permitted to smolder through lack of general understanding.

It involves the future of the fishing industry in the States of California, Oregon, Washington, the Province of British Columbia, and the Territory of Alaska. It involves an outstanding wholesome food supply, besides the employment of thousands of our people. We might first judge its importance by the standard of the amount of money that our Federal Government, the governments of the three states, and the Province of British Columbia and the Territory of Alaska spend for the conservation of these fisheries resources.

I quote from the table as follows:

United States Bureau of Fisheries in Alaska, 1927-36 inclusive, for propagation, patrol, research, etc.	\$ 3,576,000
United States Bureau of Fisheries in California, Oregon and Washington, salmon hatcheries, 1927-36	\$27,000
Territory of Alaska for propagating salmon, cleaning streams, destroying salmon enemies, etc., 1925-36 inclusive	\$62,000
Territory of Alaska, rebates on taxes account salmon fry released, 1927-36 inclusive	90,000
State of Washington, expenditures for salmon hatcheries, protection of salmon, etc., 1926-35 (number of salmon eggs handled in that period, 1,420,085,000)	\$1,966,000
State of Oregon, expenditures for salmon hatcheries, protection of salmon, etc., 1927-36 inclusive	1,297,000
State of California, expenditures for hatcheries, patrol, research, etc., on salmon, 1927-36 inclusive	177,000
Bristol Bay (Alaska) packers' contributions for destruction of salmon enemies in that area, 1927-36 inclusive	135,000

Alaska, trout and bounties, fish ladder and salmon stream improvements, WPA funds, 1935-36	45,600
Dominion of Canada, funds spent in British Columbia waters, mostly for conservation, protection and regulation of salmon fisheries, 1927-36 inclusive	4,575,000
Dominion of Canada, in British Columbia, for propagating salmon, 1927-36 inclusive	871,000
Expenditures International Fisheries Commission for conservation, regulation and research on halibut, 1927-36 inclusive	554,270
Biological Board of Canada (Dominion funds), British Columbia division, fisheries and biological research stations at Prince Rupert and Nanaimo, 1927-36 inclusive	991,000
Total for 10 years	\$16,101,270
Average per year	1,610,127

Consider next the value, in a typical year, of the manufactured canned fishery products in the territory under discussion as a standard of value of the products involved to determine the importance of the problem itself.

Again quoting the Schwellenbach figures before Congress:

"The number of people engaged in the fisheries industries, the number of vessels and boats so engaged, and the value of the products were as follows:

"Total number of fishermen in the aforementioned territories, 1938, number of transporters, 2,399; number of persons in wholesaling, canning, etc., 34,649; or a total of 76,926 persons so employed.

"Number of vessels and boats, fishing and transporting, 20,914.

Value of manufacturers' canned fishery products, etc., \$97,159,000—nearly one hundred million dollars a year! Can we indeed afford to sit by placidly and watch this huge annual revenue depleted by illegal invasion of American rights? Surely no port authority can fail to recognize the far-reaching consequences of such a situation as this would affect maritime commerce, business and industry, especially along the Pacific Coast.

With this economic picture in mind, let us express a misgiving for consideration. If the observations made by the same Senator in a radio address on February 12, 1938:

Senator Schwellenbach then said:

"The people of the United States want peace. I want to talk to you about a problem which is more likely to disturb the peace of the nation than any other—the Japanese invasion of our North Pacific salmon fisheries.

"Last July (1937) there appeared off the Alaskan coast a fleet of Japanese fishing vessels. No one knows how many there were. Twenty six were sighted in one place, five in another, four in another.

"These were of the mother ship floating cannery type. That is, they were large steamers, each accompanied by a floored smaller craft, and each equipped with canneries and liners. They carried nets two miles in length. They operated outside the three mile limit. No one knows how many salmon they caught and packed. The presence and operation of these vessels filled our own fishermen with fear and apprehension. They declared that the continuation and expansion of the Japanese venture would destroy our Alaska salmon resources within five years."

You ask why this Japanese invasion should be viewed with such alarm. To understand it one must know something about the salmon. To most people a salmon is merely the recurrent of a can—but the truth is that it has a most interesting and venturesome career. It is born in the headwaters of mountain streams or in fresh water lakes. Its first year is difficult to survive. The hatchlings which do survive are born from three streams of birth and travel the seven seas. In about four weeks from birth they get home. A head start their journey back—the salmon never forgets where it was born. Utterlyingly it finds the home stream, where it took its spawn and dies.

75 to 80 per cent of our salmon supply comes from Alaska. But salmon are only desirable food when caught outside of the rivers in which they are returning—that is, within 20 miles or so. They have not reached the proper size or quality out in the deep sea. And once they get into fresh water they deteriorate rapidly.

True conservation requires that sufficient escapement of salmon be permitted to insure that streams be adequately stocked. It is also

vital that the portions headed for the streams which would result in overstocking should be caught and used for food.

"One need not be an expert to see how rapidly the Japanese method of fishing will destroy this resource. They spread their two-mile nets and fish all 24 hours of the day. They bottle up the area off the coast. They do not permit sufficient fish to pass through to restock the streams. There is no such thing as escapement with Japanese fishing. This is precisely what has resulted from Japanese fishing off the coast of Siberia, where the Russian government has permitted them to fish under a year-to-year licensing agreement.

"It has been off the Siberian coast that they have developed their floating cannery mother ship method of operating. They learned how much would be their annual catch if they fished 24 hours a day 7 days a week during the entire salmon run. But they did not learn the lesson of conservation. Rather, they now turn toward the salmon resources which we have developed and protected by conservation. They have just about destroyed the Russian salmon runs. They now propose to destroy ours."

"Our government will not permit our own people to fish in this way. We restrict the fishing areas. We limit the sizes of the nets, the number of fishing days a year, the number of hours a day. We designate positions that traps may occupy. We clear our streams so that the fish may get to the spawning grounds. We spend about \$400,000 a year to see that our fishing is restricted."

Thus Senator Schwellenbach, like other authorities and lawmakers, deals with the essential problem of conservation and scientific restricted fishing as essential to the preservation of the resource itself while stressing the warlike destruction and selfish folly of those who, for temporary gain, would destroy the resources that we have built—the resources that are our natural and legal rights.

Rightfully these salmon belong to us. It is true, as pointed out by Senator Schwellenbach and by Edward W. Allen of the International Fisheries Commission, that these salmon go out into the open sea beyond the international three-mile limit to which international law has limited our area of control. It is true that they do not carry the American flag on their backs to command our protection. But they were born in our waters. Our taxpayers spend their money conserving them. We should no more be willing to submit to their destruction than we should be willing to submit to the destruction of any other of our property.

During the past century, somewhat similar conditions and disputes have arisen between the United States and Great Britain, Canada, Holland and other foreign governments in relation to salmon, halibut, herring and other fish and the territorial rights and principles of conservation involved.

These disputes have been invariably settled on the basis of right and justice or natural or obvious preference of ownership of rights, but also on the basis of principle of conservation of the resource.

In direct adherence to the principles of these inherently related treaties a bill was presented to the Congress on February 1 and 2, 1938, known as H.R. 8841 on which comprehensive hearings were held by the Committee on Merchant Marine and Fisheries of the House of Representatives of the Seventy-ninth Congress. This bill embodied drastic and comprehensive measures to specifically prohibit what we contended to be illegal Japanese invasion of our North Pacific fisheries, and what every intelligent person knows to be wantonly destructive fishing practices in any case, legal or illegal.

This bill was never passed. In fact, it was not intended to pass, but rather to serve notice on invader interests as a process of enlightenment for such interests as well as for the general information and awakening of the people of the United States.

On May 9, 1938, another measure, known as the Copeland Bill, S. 4744, was presented to the Senate and passed, but due to the death of Senator Copeland and probably to the drastic provisions contained therein, the bill was allowed to die.

It is to be hoped that such measures serve their intended constructive purpose.

The rehabilitation of international fisheries law applicable to this case are too complex and the important facts and details of the situation too numerous to afford the possibility of treating such an exhaustive subject in a short paper.

In the light of experience, precedent and obvious rights and justice, supported by the inherent and inalienable principles of conservation of resources, and to all practical intents and purposes, we must con-

clude that the application of the out-moded three-mile limit in the Pacific fisheries controversy would be unjust and inconsistent.

The three-mile limit as such is per se an out-moded technicality that belongs to the days when cannon range was only three miles, especially insofar as the Northwestern fishing industry is concerned.

It is therefore very apparent from the foregoing and from studies made by competent authorities, such as Joseph Walter Bingham of Stanford University, Dr. E. D. Clark, President of the Association of Pacific Coast Fisheries, and Edward Allen, member of International Fisheries Commission and others, that legislation must be enacted by Congress in the near future to preserve for this nation this tremendous natural resource.

It is also the consensus of opinion of authorities that alien raids on our fisheries which were discontinued on striking protests by our State Department will be resumed as soon as conditions in their own country place them in a stronger and more advantageous position.

As heretofore stated, I do not wish to be an alarmist, but firmly believe that strong legislation with strict enforcement is necessary. (Applause.)

**PRESIDENT ABEL:** I think we all appreciated Mr. Earley's paper on fisheries. It is a new subject with us. Mr. Earley, I was very pleased to have you suggest the subject.

We have some remarks by Professor Joseph Walter Bingham of Stanford University, which Mr. Earley has referred to. If it is the pleasure of the group here, we will incorporate Mr. Bingham's remarks in the Proceedings, and not take the time to read them at this time.

#### International Fisheries Law Applied to Alaskan Waters

*Comments sent in by Joseph Walter Bingham, Professor of Law, Stanford University, Palo Alto, California*

Mr. Earley's paper presents vigorously a matter of great importance to the people of the Pacific Coast and, indeed, to the whole nation. Japan, in its ambitious planning for economic and military dominance of the Pacific, has included among its objectives control of sea fishing. Fishing always has been a major industry of Japan, and Japanese fishermen claim to be the best in the world. A few years ago, about the time we woke up to the menace of foreign invasion of our Alaskan salmon fisheries, Japan sent a business delegation to the United States. It was received in Washington under the auspices of the Japanese Embassy and then came to the Coast. It arranged a meeting with representatives of Pacific Coast fishing interests. At this meeting the Japanese blandly suggested that they were the world's master fishers, that by right, therefore, they should do the world's fishing, that their overhead costs and labor costs were much lower than those of Americans or Europeans; that if they were given a monopoly of exploitation of the Alaskan fisheries under an organization backed by Japanese, Canadian, and American capital, the profits for all would be great. Of course, they added, Japanese could fish outside territorial waters, regardless of American Canadian conservation measures, and catch all the salmon they wished as the fish returned to their native streams to spawn, but it would be better to have a friendly cooperative arrangement. Coincidentally with this campaign, the Japanese government announced that it was sending a scientific expedition on a government vessel to Alaskan waters on a three-year mission to determine the value of the fisheries for exploitation. This obviously was an added piece of pressure propaganda in support of the business expedition, but it did not have the expected effect. Immediately a storm of opposition to Japanese encroachment on our salmon fisheries broke and initiated a vigorous campaign which now promises to result in adequate legal protection for all our coastal fisheries. The matter is important not only to our economic interests, but to our political interests in all the Americas, for the Japanese are pursuing the same tactics all along the Pacific coasts of the Americas wherever there are valuable fisheries. Already they have obtained concessions from Mexico and have attempted to

get treaty rights from Peru. They have rights also under an agreement with Argentina, and are reported to be negotiating concerning fisheries off the Atlantic coasts of Mexico. They also have invaded coastal fisheries of Australia, the Philippines, and the Dutch Indies, and they fish off the coasts of China and Siberia.

At present our legal situation is as follows:

(1) Our government has arranged (early in 1938) an international agreement with Japan that Japan will not license Japanese vessels for salmon in Alaskan waters. They are permitted to fish crab, and the Japanese government refuses to admit that Japanese vessels had been fishing for salmon in these waters (since Japan not licensed them to do so), in spite of cogent evidence presented such fishing had occurred previous to the agreement. This is a temporary arrangement and implies no concession by Japan of right to government to control fishing at sea outside the three-mile limit. Obviously, Japan could not afford a serious controversy with the United States while carrying on hostilities in China under all the other international difficulties of these troublous times. When her hands free, Japan will return to prosecute her invasions of our fisheries.

(2) Under our existing law, our government could do nothing to stop destructive foreign invasions of our coastal fisheries outside the three-mile limit except to request the government whose flag the sailing vessel flies to prevent the invasion as a matter of courtesy. It commits itself without collateral reasons of major importance to foreign state would not stop the invasions as long as our government adheres to the three-mile doctrine.

(3) Unfortunately for over one hundred years the United States has been one of the leading propagandists for the three-mile doctrine of territorial waters as a rule of international law. Great Britain, Germany, and Japan have been the other principal promoters of the doctrine. One of the strong motives back of the doctrine has been the support of free fishing on foreign coasts against the objection of coastal state. The doctrine, in brief, limits territorial coastal waters to a strip three miles wide, measured from low water mark, with addition of certain bays and similar coastal indentations, which are subject to special rules. Bristol Bay probably could not be included as territorial waters under these rules, and even if it could, the United States could intercept the salmon run outside Bristol Bay. The Anglo-American doctrine confines the control of the coast to the waters over its sea fisheries to territorial waters so limited. Thus, by the diplomatic record, which has been made chiefly in pursuance of Japan's throughout the nineteenth century against Great Britain's fish off British Atlantic North American Coasts, we blindly have been Japan's strong argument for insisting that its fishermen have a right to invade our coastal fisheries outside the three-mile limit. Japan can cite our own propaganda against us.

However, the three-mile doctrine is not settled international law. Especially as to coastal fishery control, it always has been opposed by a majority of the coastal states, including Russia, Italy, Spain, Portugal, Norway, Sweden, and all the states of Latin America, who have valuable fisheries off their coasts. The doctrine is essentially Anglo-American propaganda. If it was abandoned by Britain and the United States it would collapse. There is no sufficient reason why the United States, at any rate, should not abandon it as to coastal waters and thus do away with an insupportable legal embargo against Japanese invasions of our fisheries. If this were done, Congress should pass legislation modeled on the Diamond Bill for the policing our fisheries against foreign encroachments as far as to sea as necessary for their protection. Not only is the three-mile doctrine opposed to four very important interests in our coastal waters but it also is proving an embarrassment with respect to control of coast oil deposits, such as those off Texas and Louisiana in the Gulf of Mexico, and it handicapped our government in dealing with foreign rum-running smugglers during the days of prohibition.

There is no doubt that these and other considerations will lead government sooner or later to abandon the three-mile doctrine should have done so long ago. Now it is only a matter of a short time when the necessity of abandonment can no longer be avoided.

Of one thing we can be assured. The first objective of our battle to protect our Alaskan fisheries has been won. The government is forced to their importance and to the threat to our national safety involved in delay in taking the necessary steps to improve our legal and diplomatic position. Let us keep the ball rolling until our defense is perfected. Mr. Earley's paper is valuable in awakening interest in a campaign for prompt protective action on the part of our government.

PRESIDENT ABEL. If there is nothing further for this morning's session a motion for adjournment is in order.

Pursuant to motion duly made and seconded, the meeting was adjourned at 12:15 P. M.

**FRIDAY, AUGUST 25, 1939**

**2:00 P. M.**

The meeting was called to order, with President Abel acting as Chairman.

PRESIDENT ABEL. In accordance with the program, we will now proceed with the reports of committees.

The first committee to report is the Committee on Foreign Trade Zones. Mark Gates is chairman of the committee. Is he in the room? No. Well, we'll have to forego that report right now.

The next report is the report of the Committee on Publications. I am the chairman of that committee.

Last year, at Portland, it was decided that the publication now being used by the Association should continue over a period of two years. Therefore, inasmuch as the first year has just been completed, there is still one more year to run on the understanding that we have had with the publisher of the official organ, "Pacific Ports and Marine News." It will come up at the next convention as to whether or not the same publication should be used or a change should be made. That is the extent of the report at this time.

The next report is the report of the Committee on Uniform Rates and Practices. Mr. McCarl is the chairman.

MR. MCCARL: I'd like to state that the other members of the committee are H. D. Fadden, Port Analyst of the Port of Seattle, and M. G. Rouse, Secretary of the Board of Harbor Commissioners, Los Angeles.

August 15, 1939

Mr. A. H. Abel, President, Pacific Coast Association of Port Authorities, Oakland, California

Dear Sir:

Your Committee on Uniform Rates and Practices reports that during the year it has continued its efforts to bring closer together the charges at the respective ports. Several meetings have been held in the respective districts and considerable progress has been made.

In the California District the organization known as the California Association of Port Authorities was placed on a more permanent basis with the election of regular officers. Mr. G. E. Arbogast, President of the Board of Harbor Commissioners, Los Angeles, was elected Chairman, and M. D. McCarl, Traffic Manager and Assistant Port Manager of the Port of Oakland, was elected Secretary. The Association now comprises all of the principal ports and ocean terminal operators of California, and it is expected that considerable progress will be made during the ensuing year in making more uniform the charges applying at the various California ports. It is particularly desired that the charges applying against the cargo, especially the basic charge for the use of the terminal facility, namely, tolls (wharfage) be placed on a uniform basis. Through the functioning of the District Committee

Members, it is hoped that the respective Districts can be gradually brought closer into line.

In the North Pacific District the rates applied at the respective ports have been made more uniform and the enforcement of the application of same assured through the completion of an agreement between the ports and various terminal operators, which was filed with and approved by the United States Maritime Commission. The following report of Mr. H. D. Fadden, North Pacific Member of the Committee, will explain what has been accomplished in his District.

As predicted in my last report, the field of the Northwest Marine Terminal Association was broadened to cover activities beyond uniform rates and tariffs. A committee was appointed and did some active work in the matter of uniform cost accounting at the Northwest ports. A formula for determining direct labor costs on various services, such as handling, carloading, etc., was submitted by the Uniform Cost Accounting Committee, and the various terminal operators are now testing that formula out on actual operations on the terminals. Following is an excerpt of the reports of the committee on cost accounting which, in view of the fact that cost accounting is a subject to be discussed at this Convention, I would like the privilege of quoting.

"In discussing terminal charges involving labor, it has developed that there is a real lack of dependable cost figures. Apparently no two operators include the same items in calculating costs of various operations. This lack of consistent figures will be a very serious matter if, and when, we are brought into a hearing before the State Department of Public Service, or the United States Maritime Commission, to defend any tariff charges on complaint of a shipper.

"The Association was active in securing interpretations and adjustments of the Business and Occupation Tax and through their legislative committee have watched the proposed national and state legislation while the legislative bodies were in session, keeping all members of the Association advised.

"From time to time matters have been discussed with representatives of other interests, such as the Intercoastal Steamship Freight Association, the Northwest Industrial Traffic Managers' Association, and the North Pacific Coast Freight Bureau covering tariff matters, and many such matters have been amicably adjusted to mutual benefit.

"We find the fact that the Terminal Association exists as a reviewing body of rates, and as a body to which complaints can be made, and also as a clearing house for rumors of cut rates, that 50 per cent at least of the chiseling and suspicion has been eliminated. I believe that the chiselers themselves are better satisfied with conditions in the Northwest than when they were getting apparent advantages through the process of chiseling terminal operators. Stabilization and uniform rates have relieved them of the suspicion that their competitors might be getting better advantages than they through the same processes under which they secured their advantages. The fact that the marine terminals are organized in an association that can speak for the entire group puts them in a much stronger position than they would be if attempting to deal individually.

"The association was active, and with other organizations was successful, in correcting the situation brought about by rate cutting on a terminal not a member of the association. This evil was corrected through hearings before the Maritime Commission.

"The above listed activities are more or less extraneous with the real purpose of the association, which is the establishment of uniform rates and tariffs in the ports of the Pacific Northwest, but these other activities are the broadening activities that have naturally followed the adoption of uniform rates and tariffs.

"Regular agreements were drawn up satisfactory to the U. S. Maritime Commission, signed by various ports and private terminals in the Puget Sound area and filed with the Maritime Commission. In this respect I wish to quote an article from a Washington, D. C., paper appearing in a Special July 4th issue:

"What the Maritime Commission considers one of the most significant transportation moves in recent years becomes effective at once with official approval by the Commission of formation of a marine terminal association for ports in Washington and Oregon.

"The association, to be known as the Northwest Marine Terminal Association, has been approved under Agreement No. 6785. The group's formation corresponds to the establishment of a water carrier conference.

"It is one of the first, if not the first, major efforts of terminal operators and related organizations to unite in an attempt to promote fair trade practices and rate stability in this end of the transportation industry, officials say. The Commission in addition to approving wholeheartedly of formation of the organization states it sincerely hopes the practice will spread from the Northwest to all ports and areas.

"Under section 19 of the shipping act, which authorizes formation of carrier conferences, 'other persons,' including terminal operators and forwarders, may make agreements similar to conference pacts binding them to observe certain provisions of the agreements and, in effect, regulate themselves thereby. The agreements section of the Maritime Commission's division of regulation always has advised all groups under its jurisdiction to regulate themselves voluntarily, and thereby remove the need of government control.

"Especially important this year, when many bills were offered in Congress covering terminal operators and wharfingers into close held control of the commission, the northwest terminal conference formation is a move which if followed generally is conceded as ending all need for legislation to give the commission further power of regulation over this branch of water commerce.

"The only possible need for further commission power, if other ports and related groups follow Northwest-Marine, would be to prevent abuses by non-conference operators and even this may not be necessary because the resulting stability of rates and charges to shippers and carriers from a general adoption of the terminal conference idea very likely would cause the breaching firms to avoid the independent terminal operators, thus either bringing them into the conference pattern or forcing them out of business.

"The N. M. T. A. agreement involves eight northwestern ports, many operating firms and three ship lines maintaining terminals in the affected areas. The agreement is signed by W. C. Rickford for the port of Seattle; by G. W. Osgood for Tacoma; Ernest Gribble for Olympia; W. J. Murphy for Grays Harbor; L. D. Williams, Jr., for Willapa; T. P. McComber for Vancouver; O. E. Berbe for Bellingham; H. W. Davies for port of Port Angeles, and by several agencies for the port of Portland. In addition American-Hawaiian, Luckenbach and McCormick steamship companies are signatories.

"Under the conference setup the parties will assess and collect all terminal rates and charges in connection with traffic handled strictly in accord with agreed upon applicable tariffs; no deviation from or violation of these tariffs will be permitted, especially no refunds by any device. All tariffs effective under the agreement containing rates, charges, classifications and all changes thereto, will be filed with the Maritime Commission through the association secretary.

"Further, any party violating the agreement will be subject to fine determined by vote of trustees of the group, which are to be eleven, three from Seattle, three from Portland, two from Tacoma and three from other affected ports. This fine, in tariff violation matters, shall be no more than ten times the difference between the charges rate and the proper one, but may not be less than \$100. A surety bond or \$1,000 is required from each participating organization, and trustees will employ auditors to make regular inspections of all firms' books to insure adherence to terms of the agreement.

"New members, limited to any responsible marine terminal operator at a port in Washington or Oregon, may be admitted to the conference upon favorable vote of a majority of the parties to the pact. Parties may withdraw only upon 90 days' notice, to both the commission and the association, but the withdrawal will not be approved except when after 120 days from notice date, no complaint is pending for breach of the agreement. The bond then will be returned and the withdrawal effected. Otherwise the bond will be forfeit pending disposition of the complaint.

"The purpose of the association is, according to its constitution: 'To promote fair and honorable business practices and to establish and maintain just and reasonable uniform terminal rates . . . and practices at northwest ports in connection with water-borne traffic, and to cooperate with marine terminal operators of other districts, either individually or through their associations, to the end that the above purposes may be achieved by such other terminal operators.'"

Through the agencies of the California Association of Port Authorities in the South and the Northwest Marine Terminal Association in the North working in conjunction with the Association's rate com-

mittee, it is hoped that further progress toward uniformity along the whole Coast may be accomplished during the ensuing year.

Respectfully submitted,

COMMITTEE ON UNIFORM RATES AND PRACTICES  
M. D. McCarl, Chairman

Approved:

H. D. Fadden  
M. G. Rouse,  
Members of Committee

(Applause.)

PRESIDENT ABEL: Thank you, Mr. McCarl.

On motion duly made and seconded the report was adopted.

MR. FRED PARR (Richmond): Before we have the next report, may I make just one comment on Mr. McCarl's report? The report is excellent. I think they have done a most valuable service. I would like to record for this body two or three ideas concerning this point, and I would like them taken into consideration.

We are trying to get the public parties to cooperate wholeheartedly with the private parties. I'm not introducing this as a resolution, though I had it drafted in that form. I think it is a thing that should be said for information only. I'm not asking for any action by this body, but I would like to read it for the record:

WHEREAS, in Decision No. 29171, Case No. 4090, The California Railroad Commission, after setting forth facts as to the existence of both public and private port facilities in the San Francisco Bay Area, said: "... no adjustments are practicable in any of the present rates, rules and practices of the private terminals upon order of this Commission, unless these directly competing public bodies find it desirable to make similar adjustments."

It appears necessary that the rates, rules and practices set forth in the following order for the private terminals must be conditionally based upon the degree to which such rates, rules and practices are adopted in the future by the respective competing public bodies.

THEREFORE, BE IT RESOLVED, that all operators of publicly owned terminals should voluntarily publish and file their tariffs, leases, financial statements and agreements with the same regulatory body which controls the private utility operator;

AND BE IT FURTHER RESOLVED, that the operators of publicly owned terminals should voluntarily stipulate with the governmental agency controlling the private public utility terminals that no change will be made in their published tariffs except upon giving the same number of days' notice as are normally required by the private public utility operator to make a corresponding change in its tariffs.

Mr. Chairman, I merely want to file this as points that I feel are worthy of consideration both by the California Association of Port Authorities and by the Pacific Coast Association of Port Authorities.

PRESIDENT ABEL: Thank you, Mr. Parr. We will be glad to receive your comments. They will be placed in the Proceedings of the Convention.

MR. GEORGE W. OSGOOD (Tacoma): I would like to inquire either from the Chair or from Mr. Parr if this resolution is intended in any sense to approve regulation of port terminal operators by the Federal Government?

MR. FRED PARR: Mr. Chairman, answering Mr. Wood—I had drafted a resolution in which the preamble said that if we did not do something with conferences in having voluntary understanding, I felt we would use some form of legislation, and I felt that was a step in the right direction. If carried out, it might prohibit or prevent any such Federal regulation. I'm not intending this statement to imply any understanding or to, in any way, commit this body directly or indirectly to any form of regulation except by voluntary act, and I'm trying to emphasize the importance of having this Association working together and simply not to say, "We'll cooperate," and give all kinds of expressions of cooperation and not coming all the way on the part of the public body. If you volunteer to do this thing, there would be no legal or binding obligation upon such public body.

MR. OSGOOD: With that understanding, I have no objection to the resolution. I just wanted to introduce that use of it.

MR. FRED PARR: I consulted the Resolutions Committee this morning and I said I would like permission to submit a statement for the records. I have introduced with their knowledge, but with no endorsement or approval of any kind whatsoever, but merely to get the facts before the body.

PRESIDENT ABEL: I think that understanding is clear.

Next we have the report of the Committee on Foreign Trade Zones. Mark Gates is chairman of that committee.

MR. GATES: Mr. President, there hasn't been much happening in connection with Foreign Trade Zones during the last report of this committee, but just as a matter of record, to preserve the continuity, we are putting in a report to this effect:

Your Committee on Foreign Trade Zones begs to report as follows: Since the last report of this Committee the Foreign Trade Zone at Mobile, Alabama, which started operations on July 21st, 1938, was opened in January, 1939.

The following reports have been received in regard to the operation of the New York Zone:

Occupancy of its existing storage and manipulation facilities has reached approximately 90 per cent. Extensive additions are under construction that, when completed, will provide a general utility building having space for dry storage, cold storage, and merchandise repackaging, and an 11,000-ton vegetable oil tank storage and pump facility.

In a recent report of the deputy collector of customs at the zone, it was stated that since opening in 1937, the zone had received 4,399 merchant ships weighing 100,000 tons and valued at \$15,000,000, total of 775,000 packages of various description have gone to the zone and 30 ocean freighters have discharged cargo there. Commodities have come to the zone from 19 European countries, 10 Asiatic countries, 7 African countries, 5 South American countries, 1 North American country, and from the United States, Puerto Rico and the Virgin Islands.

From the zone, goods have been re-exported to 13 countries of Europe, 4 Asiatic countries, and Australia, 3 African countries and

Madagascar, 5 South American countries, 1 North American country and the United States.

Duties collected on merchandise entering the United States from the zone amounted to \$256,534 during the period.

Applications for grants from San Francisco, Los Angeles, and San Juan, Puerto Rico, are being held in abeyance by the Foreign Trade Zones Board pending further information.

Respectfully submitted,  
(Signed) M. H. Gates, Chairman  
H. W. Hunter,  
G. E. Osgood,  
Philip H. Osgood.

On motion duly made and seconded the report was adopted.

The next report is the report of the Committee on Honorary Members. Mr. Mumm is chairman of that committee.

MR. HANS MUMM: Mr. Chairman and Members, Your Committee on Nominations for Honorary Members for 1939-1940 submits for your approval the following:

Hon. Clarence D. Laurier Howe, Minister of Transport, Ottawa, Canada  
Admiral G. S. Land, Chairman, U. S. Maritime Commission, Washington, D. C.  
Hon. Gilbert L. Olson, Governor, State of California, Sacramento, California  
Hon. Clarence D. Martin, Governor, State of Washington, Olympia, Washington  
Hon. Charles A. Sprague, Governor, State of Oregon, Salem, Oregon  
Admiral Arthur J. Heighorn, Commandant, 12th Naval District, San Francisco, California  
Col. Warren T. Hannum, Division Engineer, U. S. Army, San Francisco, California  
Col. John C. H. Lee, Division Engineer, U. S. Army, Portland, Oregon  
Hon. Eric W. Hamber, Lieutenant-Governor, Province of British Columbia, Victoria, B. C.  
C. A. Coffey, Chief Assistant General Manager, Canadian Pacific Railway, Vancouver, B. C.  
Hon. Francis H. Gentry, Mayor, Long Beach, California  
Hon. Fletcher Bowron, Mayor, Los Angeles, California  
Lieutenant Colonel E. C. Kelson, District Engineer, U. S. Army, Los Angeles, California  
Hon. T. D. Parullo, Premier, British Columbia  
Admiral Claude C. Bloch, Commander in Chief, United States Navy, Long Beach, California

Respectfully submitted,  
(Signed) Hans Mumm, Jr., Chairman  
H. W. Hunter,  
G. E. Osgood,  
Philip H. Osgood.

On motion duly made and seconded, the report was adopted.

The next report is the report of the Committee on Credentials. Mr. H. W. Hunter, will you render your report?

Mr. Secretary, will you read the report?

SECRETARY McCARL: I would be glad to.

August 24, 1939

Mr. A. H. Abel, President, Pacific Coast Association of Port Authorities, Oakland, California  
Dear Sir:

We attach herewith list of the Delegates to the Pacific Coast Association of Port Authorities Convention, who have been properly certified and registered.

COMMITTEE ON CREDENTIALS  
(Signed) H. W. Hunter, Chairman  
J. A. Earley

For list of delegates and members see page 6

**PRESIDENT ABEL:** Thank you, Mr. Hunter, for the excellent report. We are pleased to know that the Delegates' Credentials are in order.

Next we have the report on By-Laws and the Constitution. Henry Davies, will you please give this report?

**MR. HENRY DAVIES** (Port Angeles; Washington): Mr. President and delegates.

The duties of this committee haven't been very strenuous. However, we have this one recommendation we wish to offer which we think of some importance to both small and large ports.

The only matter that has come to the attention of the Committee as that of increasing the number of Directors from ten to fifteen.

The Committee recommends that the matter be discussed and acted upon in open meeting.

H. W. DAVIES, Chairman  
T. P. MACCOMBER,  
GEORGE MOORE.

**MR. GEORGE OSGOOD** (Tacoma): I move that the By-Laws be amended at this meeting to conform to the By-Laws and increase.

**MR. K. J. BURNS** (Vancouver, B. C.): I second the motion.

**PRESIDENT ABEL:** All those in favor, signify by saying "aye"; contrary, "no." The motion is carried.

**MR. MARK GATES** (San Francisco): The matter I had intended to bring to the attention of this committee is one which is in connection with the records of this Association.

I think you are familiar with the fact that you yourselves, or rather your organization, attempted to locate some of the records of this Association from its conception to incorporation, together with dates in the history of the Association, and they were unable to be found.

My idea is that either a committee be appointed to see what of the records can be secured from the various members—there must be a great many records—or that the By-Laws and Constitution be amended to provide for an historian of this Association to make it his business to gather what information he can with regard to the Association and keep it up as we progress.

I will make it in the form of a motion, or I would rather submit it to the Committee to take whatever action they please.

**MR. DAVIES:** As Chairman, I will take it upon myself that we appoint an historian.

**MR. GEORGE W. OSGOOD** (Tacoma): I second the motion.

**PRESIDENT ABEL:** You have heard the motion and second. All in favor, signify by saying "aye"; contrary, "no." The motion is carried that we have an historian.

The next report is the Committee on Resolutions. Mr. Smith Wilson, have you your report ready?

**MR. SMITH WILSON** (Seattle): Mr. President and gentlemen:

The Resolutions Committee has a rather voluminous report here and we have a number of resolutions. It seemed quite necessary that we have these resolutions and I think they should be separately acted upon rather than take them as a whole.

Mr. Wilson then read the seventeen resolutions drawn up by the Committee, and all were passed as read, with the exception of Resolution No. 16 (see comments following Resolution No. 16). The Secretary was instructed to forward copies of the Resolutions to appropriate parties.

#### RESOLUTION NO. 1

BE IT RESOLVED that our hosts, the Port of Oakland, at its Twenty-sixth Annual Convention of the Pacific Coast Association of Port Authorities, be voted our hearty thanks and appreciation for very constructive and enjoyable convention.

(The resolution, having been duly seconded and put to a vote, was unanimously carried.)

#### RESOLUTION NO. 2

BE IT RESOLVED that the State Harbor Board of the Port of San Francisco, The Marine Exchange, Propeller Club, Foreign Trade Club, host to this organization the evening of August Twenty-fourth be extended our sincere thanks and appreciation for a most entertaining and delightful evening enjoyed by the Delegates in attendance.

(The resolution, having been duly seconded and put to a vote, was unanimously carried.)

#### RESOLUTION NO. 3

BE IT RESOLVED that the thanks of this Association be extended to Mr. A. H. Abel, President, for the capable and efficient manner in which he has conducted the program of this convention.

**MR. K. J. BURNS:** May I interrupt, Mr. Wilson, you a minute?

On this resolution, Mr. President, the best the President or the Secretary usually get is a vote of thanks. We are lucky to get that in Vancouver. After we met here on Monday and Tuesday, we decided we should try to at this particular time show some appreciation to you personally.

The subscription we took from each other would not hurt anybody, and I would like to ask you to accept, on behalf of this Association, this little souvenir. It has no significance at all, because it is a traveling bag. The only thing we hope is that the first time you use it you will come to British Columbia. We had some money left, and with the cooperation of the boys here I am going to ask Mr. McCarl if he would give that to some charitable organization in Oakland, if that is agreeable. (Applause.) If you will accept this traveling bag, Art, with our best wishes. (Applause.)

(The resolution, having been duly seconded and put to a vote, was unanimously carried.)

**PRESIDENT ABEL:** It has indeed been a great pleasure to act as your President for the past year. I appreciate your gift very much and thank you sincerely. I will endeavor to use it on a trip to Vancouver as suggested by Mr. Burns.

## RESOLUTION NO. 4

BE IT RESOLVED that a sincere vote of thanks be extended to Mr. M. D. McCarl, Assistant Port Manager and Traffic Manager of the Port of Oakland, for his capable and untiring efforts in handling the details of this Twenty-sixth Annual Convention of the Pacific Coast Association of Port Authorities.

(The resolution, having been duly seconded and put to a vote, was unanimously carried.)

MR. McCARL: I'd just like to say a word. I want you to know that I greatly appreciate the sentiments in that resolution. Although there has been some effort required in carrying on the duties of the office—in working with our worthy President in making preparations for this Convention, as we labored down at the office in the evenings—we did so with the feeling that if all of the delegates had an enjoyable time we would be well repaid for our efforts. I'll greatly cherish having that resolution in my files, because I know when I have occasion to refer to it, I'll be reminded of the fine group of fellows and ladies attending this Convention, and of the splendid spirit of fellowship that prevailed throughout the Convention. Again I wish to thank you. (Applause.)

PRESIDENT ABEL: I want to add just a word. Mr. McCarl has certainly done a wonderful job as Secretary. He has carried on the work—pushed it as it needed to be pushed in an organization of this sort, and I think much of the success of the Convention is due to Mr. McCarl. I feel that way about it. (Applause.)

## RESOLUTION NO. 5

BE IT RESOLVED that the sincere thanks of this Association be tendered to the Board of Port Commissioners and the entire staff of the Port of Oakland who have so unstintingly given of their time in making our convention the outstanding success that it has been.

(The resolution, having been duly seconded and put to a vote, was unanimously carried.)

## RESOLUTION NO. 6

BE IT RESOLVED that this Association express sincere appreciation to the Lions Club of Oakland for the very enjoyable luncheon tendered to the Membership, August 23, 1939.

(The resolution, having been duly seconded and put to a vote, was unanimously carried.)

## RESOLUTION NO. 7

BE IT RESOLVED that this Association express sincere appreciation to the Oakland Chamber of Commerce for the very enjoyable luncheon tendered to the Membership, August 24, 1939.

(The resolution, having been duly seconded and put to a vote, was unanimously carried.)

## RESOLUTION NO. 8

The members of the Pacific Coast Association of Port Authorities deeply regret the passing of Mrs. Frank G. White, wife of the Chief Engineer of the Board of State Harbor Commissioners, San Francisco, California.

BE IT RESOLVED that the members of this Association feel a personal loss in her passing and that our thoughts are with the members of her family during this period of bereavement, and our heartfelt sympathy is extended to them; and

BE IT FURTHER RESOLVED that this resolution be spread on the minute records of this Association and that a copy be forwarded to her family.

(The resolution, having been duly seconded and put to a vote, was unanimously carried.)

## RESOLUTION NO. 9

The members of the Pacific Coast Association of Port Authorities deeply regret the passing of Mr. E. W. Meherin, ex-President of the State Board of Harbor Commissioners, San Francisco, California; and

BE IT RESOLVED that the members of this Association feel a personal loss in his passing and that our thoughts are with the members of his family during this period of their bereavement, and our heartfelt sympathy is extended to them; and

BE IT FURTHER RESOLVED that this resolution be spread on the minute records of this Association and that a copy be forwarded to his family.

(The resolution, having been duly seconded and put to a vote, was unanimously carried.)

## RESOLUTION NO. 10

The members of the Pacific Coast Association of Port Authorities deeply regret the passing of Mr. Paul C. Hofmann, Commissioner and Secretary of the Board of Harbor Commissioners, Long Beach, California; and

BE IT RESOLVED that the members of this Association feel a personal loss in his passing and that our thoughts are with the members of his family during this period of their bereavement, and our heartfelt sympathy is extended to them; and

BE IT FURTHER RESOLVED that this resolution be spread on the minute records of this Association and that a copy be forwarded to his family.

(The resolution, having been duly seconded and put to a vote, was unanimously carried.)

## RESOLUTION NO. 11

The members of the Pacific Coast Association of Port Authorities deeply regret the passing of Mr. F. R. McD. Russell, B. C., Past President of the Board of Harbour Commissioners, Vancouver, B. C.; and

BE IT RESOLVED that the members of this Association feel a personal loss in his passing and that our thoughts are with the members of his family during this period of their bereavement, and our heartfelt sympathy is extended to them; and

BE IT FURTHER RESOLVED that this resolution be spread on the minute records of this Association and that a copy be forwarded to his family.

(The resolution, having been duly seconded and put to a vote, was unanimously carried.)

## RESOLUTION NO. 12

WHEREAS, the members of this Association have come to know and respect Colonel John C. H. Lee, Division Engineer, United States Army, and have had the privilege of knowing Mrs. Lee; and

WHEREAS, it has just been learned that the Lees were in an accident resulting in the life of Mrs. Lee being taken away;

THEREFORE, BE IT RESOLVED by this Association in convention assembled that this news and knowledge has shocked each member individually and the heartfelt sympathy of each member is extended to Colonel Lee and his family in their bereavement, and this Association notes with sadness life's sorrows as in this instance brought so close.

(The resolution, having been duly seconded and put to a vote, was unanimously carried.)

## RESOLUTION NO. 13

WHEREAS, the Pacific Coast Association of Port Authorities did, at its Twenty-fifth Annual Convention held in 1938, resolve that the Merchants Marine Act of 1936 should be amended so as to provide that new appointments and reappointments to the United States Maritime Commission be selected on a basis of representation in a manner that each section of the Nation interested in ocean commerce be properly and equitably represented, and that the President be empowered to select a Pacific Coast man for any early vacancy that may occur on the Commission;

AND WHEREAS, the objects sought to be accomplished by that resolution have not yet been attained;

NOW THEREFORE, be it resolved by the Pacific Coast Association of Port Authorities:

That the said resolution adopted at its annual convention in 1938 be and it hereby is reaffirmed in every particular, that a copy thereof be attached to and made a part of this resolution, and that a copy of this resolution be forwarded to the President of the United States, to the United States Maritime Commission, to each Congressional delegate from the States on the Pacific Slope, to the American Association of Port Authorities and to Chambers of Commerce and other civic bodies of the Pacific Coast.

(The following is Resolution adopted in 1938, referred to above.)

#### RESOLUTION NO. 10

WHEREAS, the maritime commerce of the Pacific Coast is of great importance, especially so in view of the international situations which create a grave problem of national defense, in which shipping, shipbuilding and repair facilities on a large scale in this region are an imperative and vital necessity; and

WHEREAS, when thought is given to the slight recognition given this section in the appointment of commissioners to the United States Maritime Commission, these considerations are neglected and the importance of the Pacific Coast is minimized; and

WHEREAS, a proper consideration of the shipping requirements of the whole nation demands serious representation on the United States Maritime Commission in order to provide a necessary balance of opinion and viewpoint which will be without sectional bias;

NOW, THEREFORE, BE IT RESOLVED by the Pacific Coast Association of Port Authorities, in regular meeting assembled at Portland, Oregon, on August 17th to 21st, 1938, that the Merchant Marine Act of 1936 should be amended immediately, so as to provide by law that new appointments and reappointments to the United States Maritime Commission be made in such a manner as to be representative in a manner that each section of the Pacific Coast ocean commerce be properly and equitably represented;

BE IT FURTHER RESOLVED that the President be implored to select a Pacific Coast man for any early vacancies that may occur on the Commission; and

BE IT FURTHER RESOLVED that copies of this resolution be forwarded to the President of the United States, the United States Maritime Commission, the Congressional delegations of the states on the Pacific Slope, the American Association of Port Authorities, and Chambers of Commerce and other civic bodies of the Pacific Coast.

(The resolution, having been duly seconded and put to a vote, was unanimously carried.)

#### RESOLUTION NO. 14

WHEREAS, the port facilities, both public and private, of the Pacific Coast of the United States represent a very large investment;

WHEREAS, these facilities are dedicated to the services of the shipping public which is entitled to an uninterrupted flow of maritime commerce;

AND, WHEREAS, disputes between waterfront employers and labor have resulted in inestimable loss and hardships to maritime commerce, to ports, to labor and more especially to the public;

NOW, THEREFORE, be it resolved that this Association in convention assembled does earnestly urge that all parties concerned agree that all points in dispute in connection with the renewal of the working agreements next September 30th, be submitted to arbitration and the arbitrator's decision be final, to the end that no further stoppages or delays be incurred by maritime commerce and that the Secretary of the Pacific Coast Association of Port Authorities forward copies of this resolution to the Waterfront Employers and to the local Unions at the various ports of the Pacific Coast.

(The resolution, having been duly seconded and put to a vote, was unanimously carried.)

#### RESOLUTION NO. 15

WHEREAS, this Association views with alarm the false economic movement to tax inland waterways thus violating an American principle and public opportunity of traditional standing; and

WHEREAS, it is the conviction of this Association that the development of our naturally unsurpassed inland waterways is vital to the development of our ports, our coastline and overseas trade;

THHEREFORE, BE IT RESOLVED that the President, the Secretary and the Interstate Commerce Commission of the United States be and hereby are advised that this Association stand unalterably opposed to the taxation of our natural waterway traffic and any tolls, tolls or similar trade barriers whatsoever.

(The resolution, having been duly seconded and put to a vote, was unanimously carried.)

#### RESOLUTION NO. 16

WHEREAS, this Association is still convinced as it has ever been, convinced in the past that the improvement of our Nation's ports, our rivers and harbors and their maintenance are best protected by the Army Engineers under the direction of the Secretary of War and the supervision of the Chief of Engineers; and

WHEREAS, in light of oncoming world events it is the opinion of this Association that the defense value of having port channels protected and port defense both under the War Department and the Navy;

WHEREAS, the Congress has recently enacted as a clause of the War Flood Control Act a provision specifying in effect that all defense work be performed by the Army Engineers under the direction of the Secretary of War and the supervision of the Chief Engineer shall be the duty of the Engineers Corps;

NOW, THEREFORE, be it resolved that this Association heartily approves and endorses the action of the Congress in confining the retention of these vital functions in the War Department under the Secretary's direction and the supervision of the Chief of the Army Engineers.

MR. K. J. BURNS (Vancouver, B. C.): Do you think it necessary to mention "American" ports, you mentioned "National" ports; do you think it would be necessary, because there are several Canadian ports?

MR. OSGOOD (Tacoma): I had the privilege of introducing that resolution. I think your criticism is well taken; it should be all ports.

The reason for that resolution, as you are aware, is that Congress has at various times and still has under consideration a forming of a Public Works Commission which would take away the duties of Army Engineers on our public works, and we certainly do not want that. We have worked along with the Army Engineers and they have cooperated, and we would never know what a Public Works Commission would put us up against and that was the reason for this resolution, and I hope you will pass it.

(The resolution having been duly seconded and put to a vote, was unanimously carried after the correction suggested above was approved and the Secretary was instructed to forward copies of same to the President of the United States, all Congressional Delegates, Chief of Engineers, U. S. Army and the Secretary of War.)

#### RESOLUTION NO. 17

WHEREAS, Divine Providence has seen fit to remove from this great brotherhood of bachelors Henry Davis, Manager of The Port of Port Angeles, and Arthur Eldridge, Manager of that other port the Angels, Los Angeles, and plunge them into the conditions of servitude that seems to be the lot of the unwary male; and

WHEREAS, these men have listened to the biblical admonition go forth and be fruitful and so multiply; and

WHEREAS, certain political subdivisions of these United States have encouraged the idea of a free distribution of ham and eggs, thrice every Thursday and the more abundant life;

NOW, THEREFORE, be it resolved by the Pacific Coast Association of Port Authorities at convention assembled in the City of Oakland, California, that we commend the action of these men, not only to the coming generation of Port officials, but to the citizenry generally to the end that courage, self-denial and a willingness to give up liberty itself shall not perish from this country of ours; and

BE IT FURTHER RESOLVED, that in making the sacrifice above set forth, these men have earned our sincerest sympathy born of a knowledge of what confronts them in the years to come.

P. S.—If for any reason anyone thinks that ham and eggs and thrice every Thursday is not sufficient for the coming generation the Committee offers the following substitute—\$1000 every night. Why wait for Thursday, and no work between meals, not even the production of more Bridges through matrimonial prospects otherwise.

(The resolution, having been duly second and put to a vote, was unanimously carried.)

**PRESIDENT ABEL.** The next is the Report of the Committee on Nominations. Joe Brennan.

**MR. JOSEPH BRENNAN (San Diego):** The following is the report of the Committee on Nominations:

*Mr. President and Gentlemen:*

We have before this committee an invitation for the next Convention from the City of Long Beach, California, signed by the Honorable Francis H. Gentry, Mayor, substantiated by telegram from the Mayor, a letter from Long Beach Chamber of Commerce signed by George A. Hart, President, and a letter from the Chamber of Commerce signed by George W. Isaacs, Manager. We also have an invitation from the City of Los Angeles, California, signed by his Honor Mayor Fletcher Bowron, James L. Borbe, President of the Los Angeles Chamber of Commerce; Roger W. Jessup, Chairman Board of Supervisors of Los Angeles County; Robert L. McCourt, President, Los Angeles Junior Chamber of Commerce; Katherine C. Moore, Chairman Women's Convention Committee; Grace S. Shoerner, President, Women's Community Service Auxiliary, also one from the Hollywood Convention and Tourist Bureau, signed by Dan G. Addison, Manager.

Gentlemen, I hope you will realize that this committee was placed in a rather embarrassing position, having two invitations from two ports in such close proximity.

As you will probably remember, Los Angeles last year had extended an invitation to the Association for the 1940 Convention, which was to be given further consideration at this Convention. One factor which we took into consideration in reaching our decision was that Long Beach has never been host to the Association. In the interests of peace and harmony in the port movement, Los Angeles very graciously withdrew in favor of Long Beach, and

I, therefore, move, Mr. President, that the Convention in the year 1940 be held at Long Beach, California.

The committee recommends that the Secretary write a letter expressing the appreciation of the Association for the very kind invitations for next year's Convention from the City of Los Angeles, and also from the Hollywood Convention and Tourist Bureau.

Mr. Chairman, I move that the Secretary be so instructed.

Mr. President and Gentlemen: The Nominating Committee places in nomination before you as Officers and Directors for 1940 the following:

**President**—G. E. Arbogast, President, Port of Los Angeles, Los Angeles, California.  
**Vice-President**—I. M. Stevens, President, Port of Long Beach, Long Beach, California.  
**Vice-President**—K. J. Burns, Port Manager, National Harbours Board, Vancouver, B. C.

**Secretary-Treasurer**—D. A. Marshall, Port Manager, Port of Long Beach, California.

**Past President**—A. H. Abel, Port Manager and Chief Engineer, Port of Oakland, Oakland, California.

#### DIRECTORS

B. C. Allin, Director of Port, Stockton, California.

J. W. Brennan, Port Director, Port of San Diego, San Diego, California.

J. A. Earley, Vice-President, Port of Seattle, Seattle, Washington.

T. H. Sanfield, Commissioner, Commission of Public Docks, Portland, Oregon.

H. W. Hunter, Commissioner, Port of Bellingham, Bellingham, Washington.

K. K. Reid, Chairman, New Westminster Harbour Commission, New Westminster, B. C.

Frank H. Gowdy, Manager, Port of Longview, Longview, Washington.

W. J. Murphy, Manager and Engineer, Port of Grays Harbor, Grays Harbor, Washington.

F. H. Marvin, President, Port of Tacoma, Tacoma, Washington.

M. M. Gates, Secretary, Board of State Harbor Commissioners, San Francisco, California.

Fred Epperson, Commissioner, Port of Port Angeles, Washington.

S. C. Trimmer, Commissioner, Port of Everett, Washington.

David Burrows, President, Port of Port Angeles, Washington.

Marion Gottfield, President, Port of Olympia, Washington.

H. J. Keiser, President, Port of Vancouver, Washington.

(Signed: J. W. Brennan, Chairman  
 A. D. MERRILL  
 W. MURPHY  
 GEO. OSGOOD  
 CHAS. B. C. ALLEN)

**MR. ARTHUR ELDRIDGE (Los Angeles):** I second the motion that the Convention be held in Long Beach in 1940.

**PRESIDENT ABEL:** It has been moved and seconded that the next Convention of the Pacific Coast Association of Port Authorities be held in Long Beach. All in favor signify by saying "aye"; contrary minded, "no." The resolution to hold the Convention in Long Beach is adopted.

**MR. I. M. STEVENS (Long Beach):** On behalf of the Long Beach public, may I thank this Convention for the honor and we shall try to equal the record made this year at Oakland as hosts.

**PRESIDENT ABEL:** Thank you, Mr. Stevens. I think you can do your part. You have in the past.

You have heard the report of the Nominating Committee. Is there a motion to adopt the resolution?

**MR. SMITH M. WILSON (Seattle):** Mr. President, I move that the Secretary be instructed to cast a unanimous ballot for the entire nominating list.

**MR. GEORGE W. OSGOOD (Tacoma):** I second the motion.

**PRESIDENT ABEL:** All in favor signify by saying "aye"; contrary minded, "no." The motion is carried.

**MR. GEORGE OSGOOD:** May I interrupt at this time because he may get away. I recall the very pleasant resolution No. 17, and when it was read there was only one of the constituents in the room, and we had better put a ball and chain on him. I suggest that the Secretary read that resolution again.

Resolution No. 17 was read again.

**PRESIDENT ABEL:** Is the Sergeant-at-Arms in the room? We have lost them both. Joe Brennan, you are temporary Sergeant-at-Arms. Will you escort Mr. Arbogast to the front of the room? (Applause.)

I can't give you a gavel; I will have to present you with the tail end of the bell clapper. May we have a few words from you, President Elect?

**PRESIDENT ELECT ARBOGAST (Los Angeles):** President Abel and members of the Pacific Coast Association of Port Authorities:

I sincerely thank you for your confidence and honor you have conferred upon me. The task, the problems of the new year I approach courageously but with the deepest feeling of humility. I realize that the Pacific Coast Association of this organization has a tremendous bearing upon the social, the industrial, and the economic life of the future development of the Pacific.

It is a great asset in the future development of the Pacific industrially and commercially, and has a tremendous bearing upon our commerce and our shipping.

I can't help feel that fear to enjoy or regain our fullest measure of prosperity is wrong, and we must not neglect this important industry. Certainly, if we are to justify the Merchant Marine, the Maritime Commission, is now building; if we are to adequately support this Merchant Marine, we can only do so by maintaining continuity of service.

It will be the pleasant duty of your officers and board of directors during the coming administration to promote courageously and actively carry on a program of mutual confidence and goodwill to the end that we maintain continuity of service, and in order that we may not only increase shipping upon the Pacific Coast, but regain some of the lost commerce that we have lost through adverse circumstances.

Again I want to thank you for the opportunity of being with you for the opportunity of gaining your friendship, your good will, and your cooperation, and I pledge during the next year not only on my part, the officers and board of directors, but also pledge sincere support of brother commissioners who are here, other officers of the Los Angeles staff—we are eleven at this Convention—we pledge our support to our Vice-President, Mr. Stevens of Long Beach, and that friend of mine, Don Marshall, and we will help them put over the finest Convention possible. Thank you. (Applause.)

**PRESIDENT ABEL:** Gentlemen: Have no fear; the Association affairs are in good hands for the next year.

Is there any further unfinished business?

Mr. McCarl made an announcement with reference to the showing of Port pictures that evening at 5:00 o'clock, and also one concerning the transportation to the Fair the following day.

**PRESIDENT ABEL:** Thank you for the announcements, Mr. Secretary. I note Mr. Eugene Roland, vice president of our Port Board, is with us. Mr. Roland, would you mind giving us a few words? (Applause.)

**MR. EUGENE ROLAND (Oakland):** Mr. President: I have been a very interested spectator and have attended every one of these meetings I could get to. I fell by the wayside occasionally in the Marine Room, which is a snare, but I succeeded in passing that most of the time, getting out on the open sea, and it has been a delightful occasion to be with you and see how earnest and serious the Convention has been in the study and solution of these problems. I got a lot out of it. I want to thank the individual readers of the papers and the gentlemen entering into the discussion informally on the floor. I have information I know will be useful to me and to the Port of Oakland. I thank you for being here. Thank you, Mr. President. (Applause.)

**PRESIDENT ABEL:** Thank you, Mr. Roland.

Mr. Sergeant-at-Arms, will you kindly escort the Vice-President Elect and also the Secretary Treasurer Elect to the platform? (Applause.)

Will George Osgood please come forward? It isn't often, gentlemen, we are honored in having a President of the American Association of Port Authorities with us during the Pacific Coast Association Convention, and we are certainly honored, George, in having you here. It was fine you could come down; you have always been a very active worker in our Association. Would you like to say a word or two?

**MR. GEORGE OSGOOD:** Mr. President and Gentlemen, I must confess I did come up to the table to ask if Mr. Abel would move for adjournment. It has been my privilege to do that at several conventions, and I so move. In doing so, I desire to invite you all and extend the most hearty word of welcome to meet us in Milwaukee at the annual Convention of the American Association of Port Authorities, October 8 to 12. We would be glad to have you, and those that do come will be received with open arms. (Applause.)

**PRESIDENT ABEL:** You have heard the monotonous adjourn. Is there a second?

**MR. K. J. BURNS:** I second the motion.

The motion, upon being put to a vote, was carried.

The Convention adjourned at 2:45 P. M.

## PACIFIC COAST ASSOCIATION OF PORT AUTHORITIES

## CASH RECEIPTS AND DISBURSEMENTS

JANUARY 31, 1939, TO DECEMBER 31, 1939

## RECEIPTS:

Received from Treasurer	\$ 390.32
Dues Class "A" Ports (Six)	900.00
"    "    "B"    "    (Three)	150.00
"    "    "C"    "    (Thirteen)	325.00
Contributing Members (Twenty-one Firms)	525.00
Associate Members (Seven Individuals)	70.00
Registrations	405.00
Contributions	1,700.25
Refunds on Exposition Tickets	43.04
<b>TOTAL RECEIPTS</b>	<b>\$4,508.61</b>

## DISBURSEMENTS:

Stationery and Postage	\$ 128.34
Convention Expenses	3,379.87
Bank Charges	3.12
Printing Convention Proceedings	607.42
<b>TOTAL DISBURSEMENTS</b>	<b>4,118.75</b>
Balance December 31, 1939	<b>\$ 389.86</b>

## EXHIBIT No. 63

A FORMULA FOR THE DETERMINATION OF PORT AND MARINE TERMINAL COSTS

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FOR

RATE MAKING PURPOSES

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by

FORD K. EDWARDS

Transportation Economist

California Railroad Commission

To Accompany a Paper entitled "Uniform  
Cost Accounting as Related to Ports"  
introduced before the Pacific Coast  
Association of Port Authorities, at  
Oakland, California, August , 1939.

## BASIC PLAN OF THE FORMULA

The Formula is more or less self-explanatory and each schedule is accompanied by footnotes covering points as to which doubt may exist. The following brief outline, however, may be of added assistance.

The Formula takes the total annual expense incurred in the operation of a port or marine terminal and breaks it down to reflect both the annual cost and the unit cost (i.e., cost per ton) of performing each individual service. Such breakdown fundamentally rests upon the use made of the staff and of the physical plant and facilities of the port. The resultant costs indicate what each class of user ought to pay from a purely cost-of-service standpoint. For rate making purposes such result must be subsequently tested for (1) ability of the traffic to pay, and (2) competitive factors. To the degree that one class of user cannot or does not meet its proper share of the cost, the deficiency must either be laid against the remaining users, or be made up through contributions from outside sources, or (in the case of private terminals), result in reduced returns or abandonment.

The services for which the costs are thus determined are as follows:

- (a) Dockage - Embraces all costs assignable to the vessel for the use made of waterways and wharves in the handling of cargo. The vessel is charged for all space up to (and from) but not including, the point at which the cargo comes to rest. The expenses consist principally of the "carrying charges" on the portions of the structures thus allocated. For a definition of dockage as the term is used herein see footnote 2/ to Schedule B. For rate making purposes the charges involved herein may be subsequently broken down into "dockage" and "pier rentals."
- (b) Tolls - Embraces all costs assignable to the shipper for the use of aprons, transit sheds, trackage, roadways, etc. For definition of tolls as used herein see footnote 3/ to Schedule B.
- (c) Service Charges (Clerking Cargo) - Embraces cost of clerical, checking and related services rendered for the account of the vessel where the vessel does not maintain its own terminal organization. For definition of the term as used herein see footnote 4/ to Schedule B.
- (d) Wharf Demurrage - Embraces all costs for floor, space, cargo handling, and overheads assignable to the shipper whose goods remain beyond the free period. For definition of wharf demurrage as used herein see footnote 5/ to Schedule B.
- (e) Shed Rentals - Embraces cost (on a square foot basis) for non-cargo office and other areas rented to steamship companies, stevedoring companies, and others.
- (f) Car Loading
- (g) Car Unloading
- (h) Weighing
- (i) Stencilling
- (j) Recoopering
- (k) Labor Sold on Cost Plus Basis
- (l) Handling Lines
- (m) Other

In addition to the above items the expenses for warehousing (domestic), grain elevators, stevedoring, terminal railway operations, etc., are included (lines 59-65, Schedule B) and assigned to "Non-Terminal Operations." The sole purpose for their

inclusion in the Formula is first, to permit the latter to cover 100 per cent of the operations should the cost analyst so desire, and secondly, to permit certain of the expenses for traffic, general, and administrative overhead to be assigned to these non-terminal operations where such is appropriate. No schedules are provided herein for the further breakdown or analysis of these non-terminal costs.

5. All allocations of expense, as noted above, are designed to reflect the use made by the vessel and cargo, respectively, of the plant, facilities, and staff of the port or terminal. The determination of the use made is based fundamentally upon an interpretation of the relative obligations of the vessel vs. the cargo as indicated by steamship and wharfinger tariffs, bills of lading, port practices, decisions of Federal regulatory commissions, etc. In *Simpson vs. Shepard*, U. S. 230, 459-461, the Supreme Court pointed to the use factor as the proper means of distributing costs. This decision stated in part: "When rates are in controversy, it would seem to be necessary to find a basis for a division of the total value of the property independently of revenue, and this must be found in the use that is made of the property. That is, there should be assigned to each business that proportion of the total value of the property which will correspond to the extent of its employment in that business. It is said that this is extremely difficult, in particular, because of the necessity for making a division between the passenger and freight business, and the obvious lack of correspondence between ton-miles and passenger-miles. It does not appear, however, that these are the only units available for such a division; and it would seem that, after assigning to the passenger and freight departments respectively, the property exclusively used in each, comparable use-units might be found which would afford the basis for a reasonable division with respect to property used in common." (Emphasis supplied).
  6. The Formula gives no separate recognition to cases where pier rentals are charged to steamship lines. The assumption in such case is that the dockage charges, as determined herein, are subsequently separated for rate making purposes into two parts, i.e., "Dockage" plus "rentals." The rentals may even be large enough to cover some of the costs assigned herewith against tolls. Indeed at some ports the vessel assumes the entire cost and at others the cargo assumes the entire cost. Such ultimate assessment of the charges has no bearing, of course, upon the application of the Cost Formula, the results of which are necessarily independent of any subsequent finding as to the ability or lack of ability of the respective users of the services to bear the expenses assigned to them.
- All steps in this Formula were developed and applied during the course of the investigation of marine terminals by the California Railroad Commission. See Final Report of the Engineering Division of the Commission, dated May 16, 1936, in Case No. 4090, (Introduced by Edwards and Differding).
7. The Formula may be used as desired to develop (1) the total costs assignable to each service, (2) the average unit cost in each service (say, per ton), or (3) the average unit cost for each class of tonnage in each service (i.e., separately for pipe line tonnage, bulk cargo, and general cargo).

## PROCEDURE IN THE USE OF THE FORMULA AND APPLICATION OF THE SCHEDULES

Summary Schedule. This schedule serves to sum up the costs obtained from the application of the Formula and to provide a comparison with the corresponding revenues. To facilitate comparisons the total costs and total revenues for each service are also shown on a unit basis wherever such is possible. Insert in columns (e) and (f) the annual revenues derived from each service. Upon completion of the cost study fill out columns (c) and (d) from the sources indicated.

Schedule A. This schedule serves to break down the "carrying charges," (i.e., maintenance, depreciation, insurance, taxes, and return) by individual wharf structures and parts of such structures for the purpose of permitting or a subsequent apportionment of such costs to the respective services listed in Schedule B. In applying this schedule the analyst should add as many sheets as are necessary to cover all wharf units.

## BASIC PLAN OF THE FORMULA

(Continued)

Schedule B. This schedule serves to initially assign the costs to each service or group of services. For illustrative purposes dockage costs are reduced to a unit cost per "12-hour berth occupancy."

Schedule C. This schedule serves to develop the average cost for tolls as well as to break down the toll charges by three classes of tonnage, giving recognition to the size and extent of the plant investment required for each class.

Schedule D. This schedule serves to develop the average service charge per ton as well as to break down the "service charge" (clerking) expenses between four classes of tonnage giving recognition to the clerical, checking, and overhead costs occasioned by each class. Omit the schedule where these services are not provided.

Schedule E. This schedule serves to develop not only the total cost for wharf demurrage, but also (1) the fixed costs (i.e., initial receiving and delivery expense) per ton, (2) the variable costs for floor space per 30 days, and (3)

the overheads per 30-day period. With the density of a commodity known a knowledge of the above costs permits of the determination of the cost for any given commodity for any given length of storage period.

Schedule F. This schedule serves to assign the expenses to the various miscellaneous services such as car loading, car unloading, weighing, etc. The schedule may be made to cover as many services as are offered by the port.

NOTE: Since the services rendered and wharf units operated differ for every port and terminal, the Formula as reproduced herein must necessarily be expanded or adjusted somewhat to fit each particular case. This was accomplished in the Commission study by using large, ruled, loose-leaf sheets to which the necessary headings were added in either typewritten or pencil form as was convenient.

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Schedule Summary	Summary of the Total Costs and Unit Costs for Each Tariff Service plus a Comparison with the Corresponding Revenues.
Schedule A	Carrying Charges on Waterways, Structures, and Other Plant Facilities Separated as between Waterways, Aprons, Sheds, and Other Areas and Facilities.
Schedule B	Separation of Expenses between Dockage, Tolls, Service Charges, Wharf Demurrage, etc.
Schedule C	Separation of Costs Assignable to Shipper in the Form of Tolls as between (1) Tonnage Loaded and/or Discharged by Pipe Line, (2) Bulk Tonnage Handled Direct to or from Rail Car, and (3) General Cargo Handled Through Transit Sheds.
Schedule D	Separation of "Service Charge" Expenses (Clerking Cargo) between (1) Cargo Loaded or Discharged by Pipe Line, (2) Bulk Cargo Handled Direct to or from Rail Cars, (3) General Cargo Handled Direct to or from Rail Cars, and (4) General Cargo Moving Through Transit Sheds.
Schedule E	Breakdown of Wharf Demurrage Costs into (1) The Fixed Costs per Ton (i.e., Receiving and Delivery Expense), and (2) The Variable Expense (i.e., the Floor Space Costs and Overheads, both of which vary with the Period of Storage).
Schedule F	Separation of Expenses for Miscellaneous Terminal Services between Car Loading, Car Unloading, Weighing, etc.

SUMMARY OF  
TOTAL COSTS AND UNIT COSTS FOR EACH TARIFF SERVICE PLUS A COMPARISON WITH THE CORRESPONDING REVENUES  
(Based on Traffic Handled and Expenses Incurred During the Accounting Period)

Summary Schedule  
Sheet 1 of 2 sheets

Line No.	TARIFF SERVICES (a)	COSTS FROM (b)	ANNUAL COST		ANNUAL REVENUES		Line No.
			Total (c)	Per Ton 1/ (d)	Total (e)	Per Ton 1/ (f)	
I TERMINAL SERVICES							
Dockage							
1	Total Annual Cost.....	Sched. E, Col. (e), line 86		xxx		xxx	1
2	Cost per "12-hour berth occupancy".....	Sched. E, Col. (e), line 87		xxx		xxx	2
Tolls							
3	a. Total-All Cargo.....	Sched. C, Col. (c), lines 37 & 39					3
4	b. Cargo Loaded or Discharged by Pipe Line.....	Sched. C, Cols. (e) & (f), line 37					4
5	c. Bulk Cargo Handled Direct to/from Rail Cars.....	Sched. C, Cols. (g) & (h), line 37					5
6	d. General Cargo.....	Sched. C, Cols. (i) & (j), line 37					6
Service Charges (Clerking Cargo)							
7	a. Total-All Cargo.....	Sched. D, Col. (c), lines 34 & 36					7
8	b. Cargo Loaded or Discharged by Pipe Line.....	Sched. D, Cols. (e) & (f), line 34					8
9	c. Bulk Cargo Handled Direct to/from Rail Cars.....	Sched. D, Cols. (g) & (h), line 34					9
10	d. General Cargo Handled Direct to/from Rail Cars.....	Sched. D, Cols. (i) & (j), line 34					10
11	e. General Cargo Moving Through Sheds.....	Sched. D, Cols. (k) & (l), line 34					11
Wharf Demurrage							
12	a. Total-All Cargo.....	Sched. E, Col. (c), line 42		xxx		xxx	12
13	b. Fixed Costs Per Ton (average)						
13	1. Total-Excluding High Piling.....	Sched. E, Col. (i), line 40	xxx		xxx	xxx	13
14	2. High Piling Costs (average).....	Sched. E, Col. (e), line 46	xxx		xxx	xxx	14
15	c. Variable Costs						
15	1. Overhead per ton per 30 days.....	Sched. E, Col. (o), line 40	xxx	2/	xxx	xxx	15
16	2. Floor space costs per sq. ft. per 30 days.....	Sched. E, Col. (m), line 40	xxx	3/	xxx	xxx	16
Miscellaneous Terminal Services							
17	Car Loading.....	Sched. F, Col. (e), lines 48 & 49					17
18	Car Unloading.....	Sched. F, Col. (f), lines 48 & 49					18
19	Weighing.....	Sched. F, Col. (g), lines 48 & 49					19
20	Stencilling.....	Sched. F, Col. (h), lines 48 & 49		/hr.		/hr.	20
21	Recoopering.....	Sched. F, Col. (i), lines 48 & 49		/hr.		/hr.	21
22	Labor Sold (Cost Plus - Hourly Basis).....	Sched. F, Col. (j), lines 48 & 49		/hr.		/hr.	22
23	Handling Lines.....	Sched. F, Col. (k), lines 48 & 49		/hr.		/hr.	23
24	Other.....	Sched. F, Col. (l), lines 48 & 49		/hr.		/hr.	24
25	Total Miscellaneous.....			xxx		xxx	25
Rentals							
26	Steamship and Other Office Rentals 1/.....	Sched. E, Col. (j), line 92					26
27	Pier Rentals 5/.....	-	xxx	xxx		xxx	27
28	Land Rentals.....	6/					28
29	Total Rentals.....	-		xxx		xxx	29
30	Total-Terminal Services Sum of lines 1, 3, 7, 12, 25, and 29).....			xxx		xxx	30

SUMMARY OF  
TOTAL COSTS AND UNIT COSTS FOR EACH TARIFF SERVICE PLUS A COMPARISON WITH THE CORRESPONDING REVENUES  
(Based on Traffic Handled and Expenses Incurred During the Accounting Period)

Summary Schedule  
Sheet 2 of 2 sheets

Line No.	TARIFF SERVICES (a)	COSTS FROM (b)	ANNUAL COST		ANNUAL REVENUE		Line No.
			Total (c)	Per Ton 1/ (d)	Total (e)	Per Ton 1/ (f)	
	II NON-TERMINAL OPERATIONS 7/ (May be Omitted)						
31	Warehousing (Domestic).....	Sched. B, Col. (1), line 59		xxx		xxx	31
32	Producing Power Sold.....	Sched. B, Col. (1), line 60		xxx		xxx	32
33	Grain elevators.....	Sched. B, Col. (1), line 61		xxx		xxx	33
34	Stevedoring.....	Sched. B, Col. (1), line 62		xxx		xxx	34
35	Terminal Railroad Operations.....	Sched. B, Col. (1), line 63		xxx		xxx	35
36	Other Operations.....	Sched. B, Col. (1), line 64		xxx		xxx	36
37	Total--Non-Terminal Operations.....	-		xxx		xxx	37
38	III GRAND TOTAL-REVENUES (Lines 30 and 37).....	-					38

NOTE: This schedule serves to summarize the results developed herein. The degree to which the items of expense are broken down by classes of tonnage will depend upon the purpose of the study. In the study made by the Railroad Commission of California, Case No. 4090, it was found necessary to carry out the complete breakdown for rate making purposes.

This Formula assumes that the carrying charges upon waterways and piers and wharf structures are fundamentally assignable on the one hand to the vessel in the form of dockage and, on the other hand, to the cargo in the form of tolls (or wharf demurrage if held beyond the free time). This study is not concerned with the fact that some part of the costs assigned herein to dockage or to tolls may ultimately be embraced in pier rentals, service charges, etc., which the port or terminal assesses. This latter is a problem of rate making. The costs, when once found, upon the basis set forth herein can readily be converted into these other units to fit the pricing system of each individual port or terminal. After such conversion, however, the comparability of the costs as between different ports or terminals is, of course, destroyed.

1/ Costs are per ton except as otherwise indicated.

2/ Per ton per 30 days.

3/ Per square foot per 30 days. (Cost is after adjustment for aisle space, etc.).

4/ Costs per square foot per month equal cost per square foot from Schedule B, column (j), line 92, divided by 12. Multiply by the square feet of rental areas to obtain total cost.

5/ No costs are shown for Pier Rentals inasmuch as all pier and waterway expenses involved (except those for office rentals) have been charged, first, against the vessel in the form of dockage, and second, against the cargo in the form of tolls and wharf demurrage. If pier rentals are also charged against the steamship lines, such revenues constitute, in effect, added dockage revenues. (They may also permit of the tariff charges in the form of dockage against the vessel and even of tolls against the cargo being lower than would otherwise be the case).

6/ Develop costs from Schedule B, column (k), line 86, which shows total annual cost for carrying land areas not directly used in cargo handling.

7/ The inclusion of these items is not pertinent to a terminal cost study nor to uniform cost accounting. They are shown here for the reason that most ports and terminals engage in some operations which are not strictly terminal services and their inclusion here permits of a full accounting of the grand total revenues and expenses, if such is desired.

CARRYING CHARGES ON WATERWAYS, STRUCTURES, AND OTHER PLANT FACILITIES  
SEPARATED AS BETWEEN WATERWAYS, APRONS, SHEDS, AND OTHER AREAS AND FACILITIES

Schedule A  
Sheet 1 of 1

Line No.	Acct. No.	I	T	E	I	Expense (c)	APPORTIONMENT FACTORS 1/ (d)	Waterways (e)	APRONS		TRANSIT SHEDS 2/		Trackway Facilities 3/	Roadway and Truck Areas 3/	Other Areas and Facilities 3/	Line No.
									Unit No. 1 (f)	Unit No. 2 (g)	Unit No. 1 (h)	Unit No. 2 (i)				
I CARRYING CHARGES - WATERWAYS & STRUCTURES																
101						Superintendence.....	Accts. 101, 106, 108 and 110									1
102						Eng. Repair.....	Acct. 101									2
103						Direct.....			xxx	xxx	xxx	xxx	xxx	xxx	xxx	3
104						Maint. Wharves & Substructures.....	Direct 5/						xxx	xxx		4
105						Depr. Wharves & Substructures.....	Direct 5/						xxx	xxx		5
106						Maint. Transit Sheds.....	Direct	xxx	xxx	xxx			xxx	xxx		6
107						Depr. Transit Sheds.....	Direct	xxx	xxx	xxx			xxx	xxx		7
108						Maint. Trackage Facilities.....	Direct	xxx	xxx	xxx	xxx	xxx		xxx	xxx	8
109						Depr. Trackage Facilities.....	Direct	xxx	xxx	xxx	xxx	xxx		xxx	xxx	9
110						Maint. Roadway & Truck Areas.....	Direct	xxx	xxx	xxx	xxx	xxx	xxx		xxx	10
111						Depr. Roadway & Truck Areas.....	Direct	xxx	xxx	xxx	xxx	xxx	xxx		xxx	11
112						Insurance on Structures 6/.....	Direct, or Coverage	xxx					xxx	xxx		12
113						Maint. Fire Equipment.....	Floor Area of Structures	xxx					xxx	xxx		13
114						Depr. Fire Equipment.....	Floor Area of Structures	xxx					xxx	xxx		14
115						Stationery & Printing.....	Acct. 101									15
116-1						Taxes on Structures & Facilities..	Assessed Val. or Flr Area 7/	xxx								16
117-1						Rentals Paid on Struct. & Fac.....	Direct, or Floor Area	xxx								17
118						Return on Struct. & Fac. at .....	Value, or Floor Area	xxx								18
19						Total Carrying Chgs.-Structures...	-									19
I CARRYING CHARGES ON LAND																
20	116-2					Taxes on Land.....	Ground Area 8/									20
21	117-2					Rentals Paid on Land.....	Direct, or Ground Area									21
22						Return on Land at .....	Ground Area									22
23						Total Carrying Chgs - Land.....	-									23
24						GRAND TOTAL (Lines 19 and 23).....	-									24

NOTE: The carrying charges, as the term is here used, includes maintenance, depreciation, insurance, taxes, and a return upon the investment. While this form provides for only two wharf units, as many sheets may be added to Schedule A (and the following schedules) as are necessary to account for all wharf and pier units pertinent to the study (see columns (f) and (g); and (h) and (i), respectively). If the straight line method of depreciation is used, compute the return upon the depreciated value of the property used and useful. If the sinking fund method of depreciation is used, compute the return upon the original cost of the property used and useful, but before depreciation.

Apportionment factors on this and subsequent schedules should be used only in the absence of data permitting direct assignment. The distribution is intended to reflect as nearly as practicable the expense properly chargeable to each facility listed.

The term "shed" is here intended to mean the superstructure plus that portion of the substructure which it covers. The remainder is assignable to aprons. A further subdivision of columns (h) and (i) to reflect the substructure and superstructure separately may be made, if desired, to facilitate the accumulation of the costs. The values should be combined for treatment in Schedule B.

3/ Do not include trackage or roadway facilities which are an integral part of the wharf structures. In such case the charges are assigned to the structure.

4/ Embraces all remaining areas used and useful in the provision of the port or terminal service such as fire stations, storage areas, shops, etc., but which are not directly revenue producing.

5/ Assign expense for fender line to waterways (for subsequent inclusion in dockage charges). Estimate on best basis available. Assign remaining expenses for wharves and substructure direct to apron and transit-shed areas, respectively. If direct distribution not available, allocate on basis of floor area in each (or per coverage in case of insurance).

6/ For insurance on cargo (in transit or demurrage) see Schedule B.

7/ Allocate in proportion to the assessed valuation of each structure. Where taxes are assignable to full units including substructure and shed, assign taxes to each on basis of original cost and allocate taxes on substructure to apron on basis of area.

8/ Allocate in proportion to the area upon which each facility rests, waterways, structures, roadways, etc.

## SEPARATION OF EXPENSES BETWEEN DOCKAGE, TOLLS, SERVICE CHARGES, WHARF DEMURRAGE, ETC.

Schedule B  
Sheet 1 of 5 sheets

Acct. No. (a)	I T E M (b)	Expenses (c)	APPORTIONMENT FACTORS 1/ (d)	Dockage 2/ (e)	Tolls 3/ (f)	Service Charges 4/ (g)	Wharf Demurrage 5/ (h)	Misc. Terminal Services 6/ (i)	OFFICES AND OTHER AREAS 7/ (j)      (k)		Non- Terminal Operations 8/ (l)	Line No.
									Shed Space (j)	Land Areas (k)		
I CARRYING CHARGES - WATERWAYS & STRUCTURES (from Sched. A line 19)												
	Waterways (Col. e).....		Direct 9/		xxx	xxx	xxx	xxx	xxx	xxx		1
	Apron - Unit No. 1 (Col. f).....		Use made 9/			xxx	xxx	xxx	xxx	xxx		2
	Apron - Unit No. 2 (Col. g).....		Use made 9/			xxx	xxx	xxx	xxx	xxx		3
	Shed - Unit No. 1 (Col. h).....		Use made 9/			xxx				xxx	xxx	4
	Shed - Unit No. 2 (Col. i).....		Use made 9/			xxx				xxx	xxx	5
	Trackage Facilities (Col. j).....		Tolls 100% 9/	xxx		xxx	xxx	xxx	xxx	xxx	xxx	6
	Roadway Areas (Col. k).....		Tolls 100% 9/	xxx		xxx	xxx	xxx	xxx	xxx	xxx	7
	Other Facilities (Col. l).....		Direct 10/			xxx						8
	Total Carrying Charges - Waterways & Structures (Lines 1-8 Incl.)...					xxx						9
I CARRYING CHARGES - LAND (from Sched. A line 24)												
	Land - Waterways (Col. e).....		Direct 9/		xxx	xxx	xxx	xxx	xxx	xxx		10
	Land - Apron Unit No. 1 (col. f)...		Use made 9/			xxx	xxx	xxx	xxx	xxx		11
	Land - Apron Unit No. 2 (Col. g)...		Use made 9/			xxx	xxx	xxx	xxx	xxx		12
	Land - Shed Unit No. 1 (col. h)....		Use made 9/			xxx				xxx	xxx	13
	Land - Shed Unit No. 2 (col. i)....		Use made 9/			xxx				xxx	xxx	14
	Land - Trackage Facilities (col. j)		Tolls 100% 9/	xxx		xxx	xxx	xxx	xxx	xxx	xxx	15
	Land - Road Areas (col. k).....		Tolls 100% 9/	xxx		xxx	xxx	xxx	xxx	xxx	xxx	16
	Land - Other Facilities (col. l)...		Direct 10/			xxx						17
	Total Charges - Land, (Lines 10-17, inclusive).....					xxx						18
II DOCK OPERATION												
151	Superintendence.....		Accts. 152-182, incl.									19
	(Clerking)											
152-1	Checking Cargo (to/from vessel) 11/.		Direct	xxx	xxx		xxx	xxx	xxx	xxx	xxx	20
152-2	Checking Cargo (to/from shipper) 11/		Direct	xxx	xxx		xxx	xxx	xxx	xxx	xxx	21
152-3	Checking Cargo (to/from demurrage) 12/.....		Direct	xxx	xxx	xxx		xxx	xxx	xxx	xxx	22
152-4	Checking (Acct. car loading).....		Direct 13/	xxx	xxx				xxx	xxx	xxx	23
152-5	Checking (Acct. Car unloading).....		Direct 13/	xxx	xxx				xxx	xxx	xxx	24
152-6	Checking - Other.....		Direct	xxx	xxx				xxx	xxx	xxx	25
153	Making out Ship's Papers 14/.....		Direct	xxx	xxx		xxx	xxx	xxx	xxx	xxx	26
	(Dock Labor)											
171	Assembling Cargo for Vessel's acct.		Direct	xxx	xxx		xxx	xxx	xxx	xxx	xxx	27
172	Car loading.....		Direct	xxx	xxx	xxx	xxx		xxx	xxx	xxx	28
173	Car unloading.....		Direct	xxx	xxx	xxx	xxx		xxx	xxx	xxx	29
174	Handling - High Piling (Acct. - Demurrage).....		Direct	xxx	xxx	xxx		xxx	xxx	xxx	xxx	30
175	Handling Lines.....		Direct	xxx	xxx	xxx	xxx		xxx	xxx	xxx	31
176	Weighing.....		Direct	xxx	xxx	xxx	xxx		xxx	xxx	xxx	32
177	Stencilling.....		Direct	xxx	xxx	xxx	xxx		xxx	xxx	xxx	33
178	Recovering.....		Direct	xxx	xxx	xxx	xxx		xxx	xxx	xxx	34
179	Misc. Labor (for which cost plus charge assessed).....		Direct	xxx	xxx	xxx	xxx		xxx	xxx	xxx	35

(See Sheets 4 and 5 for footnotes).

SEPARATION OF EXPENSES BETWEEN DOCKAGE, TOLLS, SERVICE CHARGES, WHARF DEMURRAGE, ETC.

Schedule B  
Sheet 2 of 5 sheets

Line No.	Acct. No.	I T E M	Expenses (c)	APPORTIONMENT FACTORS (d)	Dockage (e)	Tolls (f)	Service Charges (g)	Wharf Demurrage (h)	Misc. Terminal Services (i)	OFFICES AND OTHER AREAS (j)		Non-Terminal Operations (l)	Line No.
										Shed Space (j)	Land Areas (k)		
		II DOCK OPERATION (Continued)											
		(Misc. Expenses)											
181		Cleaning sheds & docks .....		Cleaning Requirements 15/	xxx	xxx					xxx	xxx	36
182		Watchmen .....		Areas 16/									37
183		Power for dock use .....		Consumption	xxx	xxx					xxx	xxx	38
184		Power for sale .....		Direct	xxx	xxx	xxx	xxx	xxx	xxx	xxx		39
185		Water for dock use .....		Consumption	xxx	xxx					xxx	xxx	40
186		Water for sale .....		Direct	xxx	xxx	xxx	xxx	xxx	xxx	xxx		41
187		Claims .....		Direct						xxx	xxx	xxx	42
188		Car Demurrage .....		Direct 17/	xxx		xxx	xxx		xxx	xxx	xxx	43
189		Absorptions .....		18/						xxx	xxx	xxx	44
190		Insurance, Cargo .....		Direct	xxx	xxx				xxx	xxx	xxx	45
191		Insurance, Compensation .....		Labor allocation						xxx	xxx		46
192		Telephone .....		Acct. 151									47
193		Stationery & Printing .....		Acct. 151									48
194		Taxes, Payroll .....		Accts. 152-162, incl.									49
		(Dock Equipment)											
201		Car loading-Equipment (Supplies, repairs, depr.) .....		Direct	xxx	xxx	xxx	xxx		xxx	xxx	xxx	50
202		Weighing Equipment (Supplies, repairs, depr.) .....		Direct	xxx	xxx	xxx	xxx		xxx	xxx	xxx	51
203		High piling Equipment (Supplies, repairs, depr.) .....		Direct	xxx	xxx			xxx	xxx	xxx	xxx	52
204		Tractors & Trailers (Supplies, repairs, depr.) .....		Direct	xxx	xxx				xxx	xxx	xxx	53
		(Return at % on Depreciated Value - Dock Equipment)											
		Car Loading Equipment .....		Direct	xxx	xxx	xxx	xxx		xxx	xxx	xxx	54
		Weighing Equipment .....		Direct	xxx	xxx	xxx	xxx		xxx	xxx	xxx	55
		High Piling Equipment .....		Relative Use	xxx	xxx			xxx	xxx	xxx	xxx	56
		Tractors & Trailers Equipment .....		Relative Use	xxx	xxx				xxx	xxx	xxx	57
		Total Dock Operation (Lines 19-57, inclusive) .....		-									58
		III OTHER PORT OPERATIONS											
		Warehousing .....		Direct	xxx	xxx	xxx	xxx	xxx	xxx	xxx		59
		Producing Power sold .....		Direct	xxx	xxx	xxx	xxx	xxx	xxx	xxx		60
		Grain Elevators .....		Direct	xxx	xxx	xxx	xxx	xxx	xxx	xxx		61
		Stevedoring .....		Direct	xxx	xxx	xxx	xxx	xxx	xxx	xxx		62
		Terminal Railroad Operations .....		Direct	xxx	xxx	xxx	xxx	xxx	xxx	xxx		63
		Other Operations .....		Direct	xxx	xxx	xxx	xxx	xxx	xxx	xxx		64
		Total-Other Port Operations (Lines 59-64, inclusive) .....		-	xxx	xxx	xxx	xxx	xxx	xxx	xxx		65

## SEPARATION OF EXPENSES BETWEEN DOCKAGE, TOLLS, SERVICE CHARGES, WHARF DEMURRAGE, ETC.

Schedule B  
Sheet 3 of 5 sheets

Acct. No. (a)	I T E M (b)	Expenses (c)	APPORTIONMENT FACTORS 1/ (d)	Dockage 2/ (e)	Tolls 3/ (f)	Service Charges 4/ (g)	Wharf Demurrage 5/ (h)	Misc. Terminal Services 6/ (i)	OFFICES AND OTHER AREAS 7/ Shed Space Land Areas (j) (k)		Non- Terminal Operations 8/ (l)	Line No.
	IV TRAFFIC EXPENSES 24/											
301	Superintendence.....		Lines 9, 18, 58 (65) 24/						xxx	xxx		66
302	Solicitation.....		Lines 9, 18, 58 (65)						xxx	xxx		67
303	Rate Adjustment & Tariff Pub.....		Lines 9, 18, 58 (65)						xxx	xxx		68
304	Dues & Subscriptions.....		Lines 9, 18, 58 (65)						xxx	xxx		69
305	Stationery & Printing.....		Lines 9, 18, 58 (65)						xxx	xxx		70
306	Other Traffic Expense.....		Lines 9, 18, 58 (65)						xxx	xxx		71
	Total Traffic Expenses (Lines 66-71, inclusive).....	-							xxx	xxx		72
	V GENERAL & ADMINISTRATIVE 24/											
351	Salaries & Exp. Gen'l Officers.....		Lines 9, 18, 58 (65) 24/						xxx	xxx		73
352	Salaries & Exp. Gen'l Ofc Clks.....		Dir., or Lines 9, 18, 58 (65) 19/						xxx	xxx		74
353	Accounting & Billing.....		Direct, or Acct. 351						xxx	xxx		75
354	Gen'l Ofc Supplies & Expenses.....		Line 73						xxx	xxx		76
355	Legal Expenses.....		Lines 9, 18, 58 (65)						xxx	xxx		77
356	Pensions & Relief.....		Labor Distribution						xxx	xxx		78
357	Insurance, general.....		Direct or Lines 9, 18, 58 (65)						xxx	xxx		79
358	Stationery & Printing.....		Lines 9, 18, 58 (65)						xxx	xxx		80
359	Taxes - Office Payroll.....		Accts. 351-352						xxx	xxx		81
360	Ofc Equipmt. (Carrying Chgs) 23/...		Accts. 351-352						xxx	xxx		82
	Ofc Space Costs (from line 92).....		Accts. 351-352						xxx	xxx		83
	Return on Working Capital 25/.....		Lines 9, 58 (65)						xxx	xxx		84
	Total-General & Administrative (Lines 73-84, inclusive).....	-							xxx	xxx		85
	GRAND TOTAL - EXPENSES (Lines 9, 18, 58, 65, 72 and 85).....	-										86
	Development of Average Unit Cost 20/											
	Dockage cost per "12-hr berth occupancy" (Line 86 ÷ Line 88)...	-			xxx	xxx	xxx	xxx	xxx	xxx	xxx	87
	Statistical Items											
	Vessel "12-hr berth occupancies" 21/	-			xxx	xxx	xxx	xxx	xxx	xxx	xxx	88
	Assignment of Shed Area in Square Feet											
	Unit No. 1.....	-								xxx		89
	Unit No. 2.....	-								xxx		90
	Total (lines 89, 90).....	-										91
	Cost Per Square foot-Offices & Other Areas (Lines 9, 18, 36, 37) ÷ Line 91	-		xxx	xxx	xxx	xxx	xxx		xxx	xxx	92
	Col. (j).....	-										
	Ofc Space Costs 22/ (Area x line 92, col. (j)).....	-		xxx	xxx	xxx	xxx	xxx		xxx	xxx	93

(See Sheets 4 and 5 for footnotes).

## SEPARATION OF EXPENSES BETWEEN DOCKAGE, TOLLS, SERVICE CHARGES, WHARF DEMURRAGE, ETC.

Schedule B  
Sheet 4 of 5 sheets

Apportionment factors of this and subsequent schedules should be used only in the absence of data permitting direct assignment. The distribution is intended to reflect as nearly as practicable the expense properly chargeable to each service listed.

For purposes of cost allocations herein the term dockage is defined as follows: "The charge assessed against a vessel and/or watercraft for docking at a wharf, pier, or seawall structure, or moored to a vessel so docked, or coming within a slip, channel, or basin." In other words, dockage is the charge against the vessel for the use of the wharf for purposes of loading and/or discharging its cargo. The vessel is charged with that wharf space necessary for the physical loading or discharging of its cargo. Such space extends from the fender line up to that point at which the vessel's agents (stevedores) physically take possession of or drop the cargo, (i.e., up to but not including the point of rest).

Under certain circumstances the dockage costs, as herein determined, are assessed against the vessel (in whole or in part) in the form of pier rentals or space rentals. Such rentals may increase the burden laid against the vessel and correspondingly lighten the direct burden against the cargo. The reverse may be true. The formula, as here set up, however, merely seeks to determine what the vessel and the cargo ought to pay purely from a cost of service standpoint based upon the respective use each makes of the facility. The ultimate distribution of these costs against the respective users of the service in the form of tariff charges is not a matter of concern to the cost analyst in applying this Formula.

For purposes of cost allocations herein the term toll is defined as follows: "A toll is the charge for cargo conveyed on, over, or through a terminal facility, or loaded or discharged while the vessel is berthed at a terminal facility." In other words, the toll is the price paid by the cargo for the use of wharf facilities, i.e., sheds, roadways, trackage facilities, etc. The cargo is assumed to compensate in the form of toll for the carrying charges upon the facilities up to the point where the vessel's stevedores physically take possession of the goods for loading purposes, i.e., up to and including point of rest (but excluding areas devoted to wharf demurrage or shipside storage).

Service Charge items embrace clerical, checking and related services rendered for the account of the vessel. Private terminals may embrace items which are different from those included by the vessel operators themselves when the latter, for accounting purposes, segregate these expenses. At the private terminals on San Francisco Bay the term service charge, as defined in their tariffs, is a charge against the vessel for the rendering of the following services:

- (1) Arranging berth for vessel.
- (2) Arranging cargo space on wharf.
- (3) Checking cargo to or from vessel as required.
- (4) Receiving outbound cargo from shipper.
- (5) Delivering inbound cargo to consignee.
- (6) Preparing manifest or tags covering cargo loaded aboard vessel.
- (7) Preparing "over," "short," and "damage" reports.
- (8) Ordering cars.
- (9) Giving information to shippers and consignees regarding cargo, sailing and arrival dates of vessels.
- (10) Lighting wharf.

The above definition has been used for purposes of making the cost allocations herein.

- 5/ Wharf demurrage is defined as that charge according upon the cargo left in the possession of the terminal beyond the free time period. The floor space assignable to wharf demurrage (or shipside storage) is based on tests to develop the annual average areas occupied, or held available for such occupancy.
- 6/ Embraces car loading, car unloading, weighing, stencilling, reepering, labor sold on cost plus basis, handling lines, etc. Charge these items with the space devoted to the performance of stencilling, reepering, weighing, etc., and to the storage of equipment used in car loading, unloading, stencilling, weighing, etc.
- 7/ Embraces remaining shed or open areas used for the general offices or rented to steamship companies, stevedoring companies, outside stencilling companies, etc. Embraces only non-cargo areas.
- 8/ Assign to Non-Terminal Operations, column (1), any charges not assignable to the revenue producing terminal services listed. Non-terminal operations include stevedoring, terminal railway operations, etc.
- 9/ The apportionment of the carrying charges for the waterways, aprons, sheds and other parts of the wharf structure, must rest (from the standpoint of cost finding) upon the relative use made of such facility by the vessel on the one hand and the cargo on the other. The principles involved in such separation are too involved for reproduction here. (See Final Report in C.R.C. study, Case 4090, dated May 16, 1936, pages 14-43). The separation made will vary with the type and uses made of the individual structures. The Commission report lists five illustrations of cost separation. The results of illustration No. 5 follow as an example:

Carrying Charges (a)	Vessel Dockage (b)	C A R G O		Misc. Terminal Services (e)	Offices & Rental Areas (f)	Non- Terminal Operations (g)
		Tolls (c)	Demurrage (d)			
a. Water Areas	100%	-	-	-	-	-
b. Apron-Structure & Track	60%	40%	-	-	-	-
c. Apron-Land	87 1/2%	12 1/2%	-	-	-	-
d. Transit Shed, substructure, superstructure & land	12%	68%	20%	-	-	-
e. Remaining Term. Trackage & Roadways	-	100%	-	-	-	-

The above separation was based on several factors not here listed and represents an oversimplification as no charges have been made for offices and rental areas, etc. However, with the fundamental principles stated as to the portions of the facility which are properly chargeable against the vessel and the portions properly chargeable against the cargo, the breakdown for each wharf or pier is readily obtainable. In the Commission study a breakdown was developed separately for each wharf unit at each of the terminal properties subject to the investigation. It is obvious that the fundamental statement of principles for the separation of the charges between vessel and cargo are all-important.

- 10/ Assign to Tolls, column (f), the charges upon special facilities or areas utilized by pipe lines in the handling of bulk cargoes, including a portion of the substructure supporting the pipe lines. Assign open areas used for bulk storage to wharf demurrage, column (h).
- 11/ The checking is for the account of the vessel. Hence cost is included in service charge assessed against vessel.

## SEPARATION OF EXPENSES BETWEEN DOCKAGE, TOLLS, SERVICE CHARGES, WHARF DEMURRAGE, ETC.

Schedule B  
Sheet 5 of 5 sheets

- 12/ If cargo goes on wharf demurrage the vessel's responsibility is assumed to have ceased. Checking costs thereafter are for the account of the demurrage cargo and included in the demurrage costs.
- 13/ Where a check is performed on car loading which serves as a count both for the vessel and for the car loading operation, distribute the costs of such check equally between service charges and car loading. Same principle holds for checking for the joint account of car loading and wharf demurrage.
- 14/ Involves clerical work in making up dock manifests, dock receipts, loading lists, over, short, and damage reports, etc.
- 15/ A typical distribution developed for a large wharf covered by the Commission's investigation was as follows: Service charges 65 per cent, miscellaneous services 30 per cent, demurrage 5 per cent. The cleaning occasioned by the receipt and delivery of cargo from and to shippers and by the stevedoring operations was assessed against the vessel in the form of service charges. Such distribution was based on an inspection and check of the cleaning chargeable to each service at each structure.
- 16/ A typical distribution developed by the Commission study for one terminal property was as follows: Dockage 12.5 per cent, toll 27.5 per cent, service charges 30 per cent, demurrage 20 per cent, and miscellaneous services 10 per cent. Such distribution arbitrarily assumed that a given proportion (say 50 per cent) of the watchmen's service was devoted to the protection of the cargo, this to be further distributed between service charges and demurrage on the basis of the average volume (or footage) of in-transit and demurrage tonnage so protected. The remaining proportion of the watchmen's time was considered as devoted to the protection of the structures and apportioned according to the time required to make the rounds of each structure and the use to which each was charged. (See apportionments of Carrying Charges on Structures).
- 17/ Charge to Car Loading and Unloading, respectively, upon basis of demurrage accrued in each. However, when unloading delays arise from lack of shed space to accommodate rail-borne cargo, charge to toll upon principle that such use of cars constitutes a temporary extension of shed space.
- 18/ Absorptions of one type or another may be made by ports or terminals (or by a steamship line which operates its own terminal). The purpose is to attract cargo from which revenue may be derived through the provision of one or all of the services which the terminal offers. Allocate costs according to revenues currently received from each service, or, if rates are to be subject to significant adjustments, allocate according to distribution of all other expenses herein.
- 19/ Assign direct where the time of the clerical staff can be segregated through time studies over test periods. Otherwise apportion on the basis of the directly assigned charges.
- 20/ Average unit costs can be developed at this point in the study by dividing the appropriate total costs in the respective columns by the total service units appropriate thereto. With the exception of dockage costs, however, such unit costs are of limited use for rate making purposes without further breakdown as provided in subsequent schedules. Even in the case of dockage the average cost (applicable to the hypothetical average vessel) should probably be scaled downward for vessels of less than average net registered tonnage and scaled upward for vessels of greater than average tonnage (see rates of progression developed in C.R.C. study, Final Report, pages 52-55). If desired, the dockage costs as herein derived may be subsequently broken down into two elements for rate making purposes, namely, pier rentals and dockage (the latter being reduced to the degree that the pier rentals absorb part of the expenses). The observation is here made that for local competitive reasons approximately 75 per cent of the costs assigned to dockage at the East Bay terminals (San Francisco Bay) were subsequently added, for rate making purposes, to the service charges assessed against the vessel. This permitted the equalization of the dockage charges with those assessed at competitive ports (see above Report, pages 50, 55-56). Such subsequent treatment of dockage costs for rate making purposes does not influence the application of this formula which yields the costs entirely independent of their subsequent treatment for rate making purposes.
- 21/ This unit is purely arbitrary and used for purposes of illustration only. On the Pacific Coast vessels are assessed dockage on the basis of 4 hours, 12 hours, or 24 hours, depending upon the port. Dockage for fractions of a period should be counted as a full period, i.e., dockage for each 12 hours or fraction thereof constitutes one "12-hour berth occupancy." The C.R.C. study broke the periods down into 1-hour periods.
- 22/ State herein the area devoted to General and Administrative offices: \_\_\_\_\_ square feet.
- 23/ Add to Account 360 an allowance for \_\_\_\_\_ % return upon the depreciated value of the office equipment. State herein the value used and amount thus added. Depreciated value \$\_\_\_\_\_. Return \$\_\_\_\_\_.
- 24/ If this overhead includes any work performed on behalf of "Non-Terminal Operations," the expenses must be distributed accordingly. Exclude charges to columns (j) and (k).
- 25/ State amount of working capital normally required to meet current expenses and obligations over period of \_\_\_\_\_ weeks \$\_\_\_\_\_. In principle, the allocation of the return upon (i.e., cost of) such working capital should be against those services the provision of which requires such working capital.

## SEPARATION OF COSTS ASSIGNABLE TO SHIPPER IN THE FORM OF TOLLS AS BETWEEN

- (1) Tonnage Loaded and/or Discharged by Pipe Line,  
 (2) Bulk Tonnage Handled Direct to or from Rail Car, and  
 (3) General Cargo Handled Through Transit Sheds.

Schedule C  
 Sheet 1 of 2 sheets

Line No.	Acct. No.	I T E M	Expenses From Schedule B Column (f)	APPORTIONMENT FACTORS	CARGO LOADED OR DISCHARGED BY PIPE LINE 1/		BULK CARGO HANDLED DIRECT TO/FROM RAIL CARS 2/		GENERAL CARGO 3/		Line No.
					Cost	Cost Per Ton 4/	Cost	Cost Per Ton 5/	Cost	Cost Per Ton 6/	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)		
		<u>I CARRYING CHARGES-STRUCTURES</u>									
		Apron-Unit No. 1 (line 2).....		Relative Use Weighted for tonnage 7/							1
		Apron-Unit No. 2 (line 3).....		Rel. Use Weighted for Tonn. 7/							2
		Shed-Unit No. 1 (line 4).....		General Cargo 100%	XXX	XXX	XXX	XXX			3
		Shed-Unit No. 2 (line 5).....		General Cargo 100%	XXX	XXX	XXX	XXX			4
		Trackage Facilities (line 6).....		Tonnage, Direct vs Gen'l Cargo	XXX	XXX					5
		Roadway Areas (line 7).....		General Cargo 100%	XXX	XXX	XXX	XXX			6
		Other Facilities (line 8).....		Direct 8/							7
		Total-Charges, Structures.....		-							8
		<u>I CARRYING CHARGES-LAND</u>									
		Apron-Unit No. 1 (line 11).....		Tonnage, Pipe Line vs Direct					XXX	XXX	9
		Apron-Unit No. 2 (line 12).....		Tonnage, Pipe line vs Direct					XXX	XXX	10
		Shed-Unit No. 1 (line 13).....		General Cargo 100%	XXX	XXX	XXX	XXX			11
		Shed-Unit No. 2 (line 14).....		General Cargo 100%	XXX	XXX	XXX	XXX			12
		Trackage Facilities (line 15).....		Tonnage, Direct vs Gen'l Cargo	XXX	XXX					13
		Roadway Areas (line 16).....		General Cargo 100%	XXX	XXX	XXX	XXX			14
		Land-Other Facilities (line 17).....		Direct 8/							15
		Total-Charges, Land.....		-							16
		<u>II DOCK OPERATION</u>									
1151		Superintendence.....		Line 8, Sched. C							17
1182		Watchmen.....		Line 8, Sched. C							18
1185		Water for dock use (Fire Prot.).....		Line 8, Sched. C							19
1187		Claims.....		Direct 9/							20
1188		Car Demurrage.....		Direct; or Tonnage, Direct vs. General	XXX	XXX					21
1189		Absorptions.....		Direct 10/							22
1191		Insurance, Compensation.....		Lines 8, 18, Sched. C							23
1192		Telephone.....		Acct. 151							24
1193		Stationery & Printing.....		Acct. 151							25
1194		Taxes, Payroll.....		Lines 8, 18, Sched. C							26
		Total-Dock Operation.....		-							27
301-06		<u>III TOTAL TRAFFIC EXPENSES</u> .....		Tonnage							28

## SEPARATION OF COSTS ASSIGNABLE TO SHIPPER IN THE FORM OF TOLLS AS BETWEEN:

- (1) Tonnage Loaded and/or Discharged by Pipe Line,
- (2) Bulk Tonnage Handled Direct to or from Rail Car, and
- (3) General Cargo Handled Through Transit Sheds.

Schedule C  
Sheet 2 of 2 sheets

Acct. No.	I T E M	Expenses From Schedule B Column (f)	APPORTIONMENT FACTORS	CARGO LOADED OR DISCHARGED BY PIPE LINE 1/		BULK CARGO HANDLED DIRECT TO/FROM RAIL CARS 2/		GENERAL CARGO 3/		Line No.
				Cost (e)	Cost Per Ton 4/ (f)	Cost (g)	Cost Per Ton 5/ (h)	Cost (i)	Cost Per Ton 6/ (j)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
	<b>IV. GENERAL &amp; ADMINISTRATIVE</b>									
351	Sal. & Exp.-General Officers.....		Tonnage							29
352	Sal. & Exp.-General Office Clerks.....		Direct, or Tonnage 11/							30
353	Accounting & Billing.....		Direct, or Tonnage 11/							31
354-59	Other General & Administrative.....		Tonnage							32
360	Office Equipment.....		Accts. 352-359							33
	Office Space Costs.....		Accts. 352-359							34
	Return on Working Capital.....		Lines 8, 27							35
	Total-General & Administrative.....		-							36
	GRAND TOTAL - EXPENSE (Lines 8, 16, 27, 29 and 36).....		-							37
	Statistical Items									
	Number Tons Loaded & Discharged.....		-		xxx		xxx		xxx	38
	Over-all Average Cost per Ton..... (Col. (c) line 37 ÷ line 38)		-	xxx	xxx	xxx	xxx	xxx	xxx	39

5/ The toll is the charge for cargo conveyed on, over, or through a terminal facility or loaded or discharged while the vessel is berthed at a terminal facility. It is a charge, fundamentally, for the use of the wharf facility by the shipper. (The balance of the cost of maintaining the facility is principally laid herein against the vessel in the form of dockage charges). Although the toll is a charge against the cargo, in practice it is assessed against and collected from the steamship companies which, in turn, collect it from the shipper or consignee.

The intent of this schedule is to assign the charges in proportion to the use each of the three classes of cargo noted herein-uses of the facilities.

Includes liquids such as petroleum, vegetable oils, etc., loaded and discharged by pipe line. The wharf facilities chargeable to the handling of pipe line cargo are limited to the minimum structure necessary for the boat to tie up plus the pipe line facilities and supports. Most pipe line commodities, particularly petroleum products, are handled at facilities devoted exclusively to this traffic in which case the total charges could be directly assigned to this class of tonnage.

Includes bulk cargoes loaded direct to or from railroad cars on the apron, thus eliminating any use of the transit sheds, roadways, etc. Bulk cargoes include sand, coal, sulphur, salt, etc. The wharf facilities assignable in part to this cargo (the other part being assigned to the vessel) include the apron, plus the trackage thereon. The shed is excluded.

Includes remaining general cargo which customarily makes use of transit shed facilities. No attempt is made to reflect toll charge against occasional general cargo shipments which might be loaded direct to cars. The shed and shed trackage facilities provide a "readiness to serve" this latter traffic and the carrying charges are apportioned to it in common with the tonnage actually moving through the shed.

4/ Column (e) divided by line 38 column (e).

5/ Column (g) divided by line 38 column (g).

6/ Column (i) divided by line 38 column (i).

7/ The C.R.C. study, Case 4090, did not develop any apportionments for structures equipped to simultaneously handle all three classes of cargo although such exist. Based on Illustration No. 5 of the Final Report, Engineering Division, in above Case, a distribution of the apron carrying charges, (when the bulk tonnage loaded direct constituted 25 per cent of the total and the general cargo (shed tonnage) constituted 75 per cent), would be 37 per cent vs. 63 per cent.  $(17.5 \div 47.5) \times 100 = 37\%$  and  $(30.0 \div 47.5) \times 100 = 63\%$ . (See page 39 of Report).

8/ Assign charges on special pipe line facilities, including share of substructure necessary to carry pipe lines, to column (e). See footnote 10/, Schedule B.

9/ Analyse claims for test period and assign in accordance with the class of tonnage responsible.

10/ Assign to class or classes of cargo responsible for the absorptions, or assign in proportion to the relative amount of gross revenue yielded by each class of tonnage.

11/ Pipe line tonnage commonly requires less clerical, accounting, billing, and similar overhead expenses per ton than does either bulk cargo or general cargo. This can only be reflected in the costs assignable to each class of tonnage by assigning the clerical costs direct to each class of tonnage. Such assignment probably will require an analysis of the clerical time, or a time study over a test period.

## SEPARATION OF "SERVICE CHARGE" EXPENSES (CLERKING CARGO) BETWEEN

- (1) Cargo Loaded or Discharged by Pipe Line.
- (2) Bulk Cargo Handled Direct to or from Rail Cars.
- (3) General Cargo Handled Direct to or from Rail Cars, and
- (4) General Cargo Moving Through Transit Sheds.

Schedule D  
Sheet 1 of 2 sheets

Line No.	Acct. No.	I T E M	Expenses from Schedule E Column (c)	APPORTIONMENT FACTORS (d)	CARGO LOADED OR DISCHARGED BY PIPE LINE		BULK CARGO HANDLED DIRECT TO/FROM RAIL CARS		GENERAL CARGO HANDLED DIRECT TO/FROM RAIL CARS		GENERAL CARGO MOVING THROUGH SHED		Line No.
					Cost (e)	Cost Per Ton 1/ (f)	Cost (g)	Cost Per Ton 2/ (h)	Cost (i)	Cost Per Ton 3/ (j)	Cost (k)	Cost Per Ton 4/ (l)	
		(a)		(b)									
		II DOCK OPERATION											
1	151	Superintendence.....		Accts. 152-204									1
		(Clerking)											
2	152-1	Checking Cargo (to/from vessel)...		Dir. or weighted tonnage 5/									2
3	152-2	Checking Cargo (to/from shipper)...		Dir. or weighted tonnage 5/									3
4	152-4	Checking Acct. Car Loading.....		Shed Cargo 100%	xxx	xxx	xxx	xxx	xxx	xxx			4
5	152-5	Checking Acct. Car Unloading.....		Shed Cargo 100%	xxx	xxx	xxx	xxx	xxx	xxx			5
6	153	Making out Ship's Papers.....		Dir. or weighted tonnage 6/									6
		(Dock Labor)											
7	171	Assembling cargo for vessel's acct.		Shed Cargo 100%	xxx	xxx	xxx	xxx	xxx	xxx			7
		(Misc. Expenses)											
8	181	Cleaning Sheds & Docks )....		Shed Portion-Direct	xxx	xxx	xxx	xxx	xxx	xxx			8
8a		)....		Apron Portion - Tonnage	xxx	xxx							8a
9	182	Watchmen )....		Shed Cargo 100% 7/	xxx	xxx	xxx	xxx	xxx	xxx			9
10	183	Power for Dock Use (Lights) )....		Shed lights-Direct	xxx	xxx	xxx	xxx	xxx	xxx			10
11		)....		Apron lights-Tonnage									11
12	185	Water for Dock Use.....		Acct. 181	xxx	xxx							12
13	187	Claims.....		Direct 8/									13
14	189	Absorptions.....		Direct 9/									14
15	190	Insurance, Cargo.....		Direct 10/									15
16	191	Insurance, Compensation.....		Accts. 152-182									16
17	192	Telephone.....		Acct. 151									17
18	193	Stationery & Printing.....		Acct. 151									18
19	194	Taxes, Payroll.....		Accts. 152-182									19
		(Dock Equipment)											
20	203	High Piling Equipment.....		Shed Cargo 100%	xxx	xxx	xxx	xxx	xxx	xxx			20
21	204	Tractors and Trailers.....		Shed Cargo 100%	xxx	xxx	xxx	xxx	xxx	xxx			21
		(Return Dock Equipment)											
22		High Piling Equipment.....		Shed Cargo 100%	xxx	xxx	xxx	xxx	xxx	xxx			22
23		Tractor & Trailer Equipment.....		Shed Cargo 100%	xxx	xxx	xxx	xxx	xxx	xxx			23
24		Total Dock Operation.....		-									24
25	301-06	IV TRAFFIC EXPENSES - TOTAL.....		Weighted Tonnage 11/									25

NOTE: The average over-all cost per ton for the performance of the "Service Charge" (clerking) functions may be simply obtained by dividing the total of column (e) by the total tons handled. Such average value fails, however, to reflect the fact that the checking, clerical and other services rendered certain movements differ substantially from those rendered other movements. For example,

the checking cost assignable to general cargo handled through a transit shed is much greater per ton than that assignable to a ton of petroleum moving through a pipe line. The purpose of Schedule E is to permit of a further breakdown of the elements of service for the purpose of more closely associating the cost of each with that class of cargo which requires it. (See C.R.C. Report, Chapter VI).

## SEPARATION OF "SERVICE CHARGE" EXPENSES (CLERKING CARGO) BETWEEN

- (1) Cargo Loaded or Discharged by Pipe Line,
- (2) Bulk Cargo Handled Direct to or from Rail Cars,
- (3) General Cargo Handled Direct to or from Rail Cars, and
- (4) General Cargo Moving Through Transit Sheds.

Schedule D  
Sheet 2 of 2 sheets

Line No.	Acct. No.	I T E M	Expenses from Schedule B Column (g)	APPORTIONMENT FACTORS	CARGO LOADED OR DISCHARGED BY PIPE LINE		BULK CARGO HANDLED DIRECT TO/FROM RAIL CARS		GENERAL CARGO HANDLED DIRECT TO/FROM RAIL CARS		GENERAL CARGO MOVING THROUGH SHED		Line No.
					Cost (e)	Cost Per Ton 1/ (f)	Cost (g)	Cost Per Ton 2/ (h)	Cost (i)	Cost Per Ton 3/ (j)	Cost (k)	Cost Per Ton 4/ (l)	
		(a)	(b)	(c)	(d)								
		<b>V GENERAL &amp; ADMINISTRATIVE</b>											
351		Sal. & Exp. Gen'l Officers.....		Acct. 151, or direct 12/									26
352		Sal. & Exp. Gen'l Office Clerks...		Acct. 151, or direct 12/									27
353		Accounting & Billing.....		Acct. 151, or direct 12/									28
354-59		Other General & Administrative....		Acct. 151, or direct 12/									29
360		Office Equipment.....		Acct. 151, or direct 12/									30
		Office Space Costs.....		Acct. 151, or direct 12/									31
		Return on Working Capital.....		Acct. 151									32
		Total General & Administrative....	-	0									33
		GRAND TOTAL - EXPENSE.....	-										34
		(Lines 24, 25, 33)											
		<u>Statistical Items</u>											
		Tons loaded & discharged.....	-			xxx		xxx		xxx		xxx	35
		Average Cost all tonnage.....	-			xxx	xxx	xxx	xxx	xxx	xxx	xxx	36
		(Col.(e) line 34 ÷ line 35)											

Column (e) divided by tons shown line 35, column (e).

Column (g) divided by tons shown line 35, column (g).

Column (i) divided by tons shown line 35, column (i).

Column (k) divided by tons shown line 35, column (k).

The Commission's study developed the following weights (per ton) to be applied in the distribution of checking costs: bulk cargo loaded direct 0.25, general cargo loaded direct 0.50, and general cargo moved through shed 1.0. No weighting was developed for pipe line tonnage but it would presumably be as low as or lower than that for bulk cargo loaded direct. (A weight of 0.25 for bulk cargo loaded direct means that the checking cost per ton on this movement is 25 per cent of the checking cost per ton incurred on general cargo moved through the shed).

The Commission's study developed the following weights: bulk cargo loaded direct 15 per cent, general cargo loaded direct 30 per cent, general cargo moved through sheds 100 per cent. No weighting was developed for pipe line tonnage.

The expense for watchmen allocated to service charges embraces cargo protection only and hence would normally be chargeable entirely against shed cargo.

Assign direct to the class of cargo occasioning claims. If the losses per ton for some individual commodity or group of commodities within a class differ significantly from the average, assign the claims for such to the commodity in question

by means of subsequent adjustment to the study, at the same time reducing the charges to the remaining tonnage in that class.

- 9/ Apportion on basis of relative gross revenue derived from each class of cargo listed. (If no absorptions are made on certain classes of tonnage, omit charges accordingly).

- 10/ Apportion according to the nature of the insurance protection carried on each class of cargo.

- 11/ The Commission's study developed the following arbitrary weights: bulk cargo loaded direct 0.20, general cargo loaded direct 1.0, and general cargo moving through sheds 1.0. No weighting was developed for pipe line tonnage. The reduced value for bulk cargo loaded direct was based on an estimate for the particular terminals under study. It gives recognition to the fact that bulk cargo handled in large lot shipments ranging from several hundred to several thousand tons per shipment requires less solicitation and other traffic expense per ton than does the average general merchandise cargo.

- 12/ Apportionments based on Account 151 assume that the overhead administrative and accounting costs per ton vary as between the four classes of tonnage in the same proportion as do the costs for checking and other services performed on the dock. An alternative is to develop the relative costs per ton for each class by special tests or time studies applied to the routine office clerical work.

## BREAKDOWN OF WHARF DEMURRAGE COSTS INTO

- (1) The Fixed Costs per Ton (i.e., Receiving and Delivery Expenses), and  
 (2) The Variable Expense (i.e., the Floor Space Costs and Overheads, both of which vary with the Period of Storage).

Schedule E  
 Sheet 1 of 2 sheets

Acct. No.	I T E M	Expenses from Schedule B Column (h)	APPORTIONMENT FACTORS	(1) FIXED COSTS					(2) VARIABLE COSTS					Line No.
				LABOR HANDLING	Check- ing	Non- Vari- able Ovh'd	Sub- total Col. (f)+(g) + (h)	Cost/ Ton Excl. High Piling	Floor Space Costs	Initial Space Cost/ sq.ft.	Adj'd. Space Cost/ sq.ft. No days head	Var- able Over- head	Costs/ Ton 30 da. 5/	
(a)	(b)	(c)	(d)	High Piling (e)	Other 1/ (f)	(g)	(1)	(j)	(k)	(l)	(m)	(n)	(o)	
	<b>I CARRYING CHARGES-STRUCTURES</b>													
	Shed Unit No. 1.....	Direct		xxx	xxx	xxx	xxx	xxx				xxx	xxx	1
	Shed Unit No. 2.....	Direct		xxx	xxx	xxx	xxx	xxx				xxx	xxx	2
	Other Facilities.....	Direct		xxx	xxx	xxx	xxx	xxx				xxx	xxx	3
	Total-Carrying Charges-Structures..	-		xxx	xxx	xxx	xxx	xxx				xxx	xxx	4
	<b>I CARRYING CHARGES-LAND</b>													
	Shed Unit No. 1.....	Direct		xxx	xxx	xxx	xxx	xxx				xxx	xxx	5
	Shed Unit No. 2.....	Direct		xxx	xxx	xxx	xxx	xxx				xxx	xxx	6
	Other Facilities.....	Direct		xxx	xxx	xxx	xxx	xxx				xxx	xxx	7
	Total-Carrying Charges-Land.....	-		xxx	xxx	xxx	xxx	xxx				xxx	xxx	8
	<b>II DOCK OPERATION</b>													
151	Superintendence.....	Acct. 152-182 incl.				xxx			xxx	xxx	xxx			9
152-3	Checking (to/from Demurrage).....	Direct		xxx	xxx	xxx			xxx	xxx	xxx	xxx	xxx	10
152-4	Checking (Acct. Car Loading) 6/....	Direct		xxx	xxx	xxx			xxx	xxx	xxx	xxx	xxx	11
152-5	Checking (Acct. Car Unloading) 6/..	Direct		xxx	xxx	xxx			xxx	xxx	xxx	xxx	xxx	12
174	Handling & High Piling (a) High Piling	Direct			xxx	xxx	xxx		xxx	xxx	xxx	xxx	xxx	13
	(b) Other.....	Direct		xxx		xxx	xxx		xxx	xxx	xxx	xxx	xxx	14
181	Cleaning Sheds.....	Direct		xxx	xxx	xxx	xxx		xxx	xxx	xxx			15
182	Watchmen.....	Direct		xxx	xxx	xxx	xxx		xxx	xxx	xxx			16
183	Power for dock use.....	Direct		xxx	xxx	xxx	xxx		xxx	xxx	xxx			17
185	Water for dock use.....	Direct		xxx	xxx	xxx	xxx		xxx	xxx	xxx			18
187	Claims.....	Direct		xxx	xxx	xxx	xxx		xxx	xxx	xxx			19
189	Abscriptions.....	Direct		xxx	xxx	xxx	xxx		xxx	xxx	xxx			20
190	Insurance, Cargo.....	Direct		xxx	xxx	xxx	xxx		xxx	xxx	xxx			21
191	Insurance, Compensation.....	Accts. 152-182, incl.				xxx			xxx	xxx	xxx			22
192	Telephone.....	Direct		xxx	xxx	xxx	xxx		xxx	xxx	xxx			23
193	Stationery & Printing.....	Direct		xxx	xxx	xxx	xxx		xxx	xxx	xxx			24
194	Taxes, Payroll.....	Accts. 152-182, incl.				xxx			xxx	xxx	xxx			25
203	High Piling Equipment.....	Direct			xxx	xxx	xxx		xxx	xxx	xxx	xxx	xxx	26
204	Tractors & Trailers.....	Direct per Use				xxx	xxx		xxx	xxx	xxx	xxx	xxx	27
	Total-Dock Operation.....	-				xxx			xxx	xxx	xxx			28
	<b>IV TRAFFIC EXPENSES</b>													
303	Rate Adjustment & Tariff Pub.....	Direct		xxx	xxx	xxx			xxx	xxx	xxx	xxx	xxx	29
	All other Traffic Expenses.....	Direct		xxx	xxx	xxx	xxx		xxx	xxx	xxx			30
	Total-Traffic Expenses.....	-		xxx	xxx	xxx			xxx	xxx	xxx			31
	<b>V GENERAL &amp; ADMINISTRATIVE</b>													
351	Sal. & Exp. General Officers.....	Fixed Cost-50%; Variable-50%		xxx	xxx	xxx			xxx	xxx	xxx			32
352	Sal. & Exp. General Office Clerks..	Fixed Cost-50%; Variable-50%		xxx	xxx	xxx			xxx	xxx	xxx			33
353	Accounting & Billing.....	Direct		xxx	xxx	xxx			xxx	xxx	xxx	xxx	xxx	34
354-59	Other General & Administrative.....	Fixed Cost-50%; Variable-50%		xxx	xxx	xxx			xxx	xxx	xxx			35

## BREAKDOWN OF WHARF DEMURRAGE COSTS INTO

- (1) The Fixed Costs per Ton (i.e., Receiving and Delivery Expense), and  
 (2) The Variable Expense (i.e., the Floor Space Costs and Overheads, both of which vary with the Period of Storage).

Schedule E  
 Sheet 2 of 2 sheets

Line No.	Acct. No.	I T E M	Expenses from Schedule B Column (h)	APPORTIONMENT FACTORS	(1) F I X E D C O S T S					(2) V A R I A B L E C O S T S					Line No.	
					LABOR HANDLING		Check- ing	Non- Vari- able Ovh'd	Sub- total Cols. (f)+(g) + (h)	Cost/ Ton Excl. High Piling	Floor Space Costs	Initial Space Cost/ sq.ft. 3/	Adj'd. Space Cost/ sq.ft. 30 days 4/	Vari- able Over- head 5/		
					High Piling	Other 1/										
																(b)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)		
		V GENERAL & ADMINISTRATIVE (Cont'd)														
36	360	Office Equipment.....		Fixed Cost-50%; Variable-50%	xxx	xxx	xxx				xxx	xxx	xxx		36	
37		Office Space Costs.....		Fixed Cost-50%; Variable-50%	xxx	xxx	xxx				xxx	xxx	xxx		37	
38		Return on Working Capital.....		Lines 4,28,31,32-37.											38	
39		Total-General & Administrative.....		-											39	
40		GRAND TOTAL EXPENSE, Excluding High Piling (Lines 4,8,28,31,39) 7/		-	xxx										40	
41		High Piling Expense 8/.....		-		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	41	
42		GRAND TOTAL EXPENSE, Including High Piling (Lines 40 and 41).....		-											42	
		(Statistical Items)	Item													
43		Total tons Received on Wharf Dem...		-	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	43	
44		Total Ton-Months of Storage.....		-	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	44	
45		Tons Receiving High Piling.....		-	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	45	
46		Avg. Cost/Ton-High Piling 8/.....		-	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	46	

NOTE: Demurrage rates are fundamentally built up of two elements, the first being the initial receiving and delivery costs which are independent of the length of the storage period (herein referred to as the fixed costs), and the second being the variable costs which are proportional to the length of the storage period. (See Commission study, Chapter VIII). The first element includes the cost of checking to and from consignee, the cost of physical handling (i.e., high piling and breaking down, or, where no high piling is involved, at least the labor costs for moving, shifting, assembling), and certain minimum overhead costs for accounting, billing, etc. The second element includes the floor space costs, watchmen, insurance, and certain office overheads, all of which are in proportion to the length of time a shipment remains in storage. Where a shipment remains a short period, high piling is not warranted even though the space costs are increased thereby. On long time storage it becomes more economical to high pile as the saving in space costs offsets the labor expense in high piling. Some commodities, because of their nature, are never high piled. Others are high piled regularly. The operator should be in a position to determine for any given commodity which is the most efficient method of handling for any given period of storage. The formula develops the alternative costs for either one tier piling or high piling (recognizing the higher labor cost but reduced floor space cost for the latter as compared to the former).

Schedule E serves to develop the receiving and delivery costs (i.e., the fixed costs) per ton, the floor space costs per square foot per 30 days, and the variable overhead costs per ton per 30 days. There only remains to be obtained the square feet required per ton for the individual commodities for (a) one-tier piling, (b) high piling (see Commission study, page 98). With the above data available the cost for any given commodity for any length of storage period can be computed both with and without high piling. If one assumes that the commodity is high piled whenever it is economically justifiable to do so, the computation showing the lowest cost for any given storage period would be the relevant cost figure to use (see pages 100-110 of Commission study for illustrations of this analysis of demurrage costs).

- 1/ Includes all labor costs except high piling, i.e., assembling of broken lots honey-combed by partial deliveries, shifting of demurrage cargo blocked off by other tonnage, etc.
- 2/ Determined by dividing subtotal in column (1) (which excludes high piling costs) by total tons received on wharf demurrage, column (c), line 43.
- 3/ Divide column (k) by square feet of area assigned to wharf demurrage (see Schedule B, line 91, column (h)).
- 4/ The areas initially assigned to wharf demurrage embrace aisle space, working areas, waste space around piles, idle space during dull seasons, etc. The Commission study developed that the revenue producing area at principal terminals studied totalled only 60 per cent of entire space assigned to wharf demurrage (i.e., use factor = 60 per cent). Hence to obtain adjusted cost divide column (1) by 0.60. Divide again by 12 to reduce to a cost per revenue producing square foot per month (i.e., column (1) ÷ (0.60 x 12)).
- 5/ The unit of "tons per 30 days" or ton-months represents the total ton-days of demurrage divided by 30. Develop by special test or from billing records.
- 6/ Includes only checking costs which are jointly for the account of wharf demurrage and car loading or unloading, and which have been apportioned equally to each service.
- 7/ Minus High Piling Expense from line 41, column (e).
- 8/ Develop the expense for high piling per ton (including breaking the pile down) by dividing line 41, column (e) by the tons high piled during the accounting period, line 45, column (e). Or if tonnage data not available, develop cost per ton from special tests. Indicate method used:



## SEPARATION OF EXPENSES FOR MISCELLANEOUS TERMINAL SERVICES BETWEEN CAR LOADING, UNLOADING, WEIGHING, ETC.

Schedule F  
Sheet 2 of

Line No.	Acct. No.	I T E M	Expenses from Schedule B Column (h)	APPORTIONMENT FACTORS	Car Loading 1/ (e)	Car Unloading 1/ (f)	Weighing (g)	Stencilling (h)	Re-coopering (i)	Labor Sold (Cost plus) (j)	Handling Lines (k)	Other (l)
39	301-06	IV TRAFFIC EXPENSES .....		Lines 4, 8 and 38								
		V GENERAL & ADMINISTRATIVE										
40	351	Sal. & Exp. General Officers.....		Lines 4, 8 and 38								
41	352	Sal. & Exp. General Office Clerks.		Direct, or Acct. 351 5/								
42	353	Accounting & Billing.....		Direct, or Acct. 351 5/								
43	354-59	Other General & Administrative....		Acct. 351-353								
44	360	Office Equipment.....		Acct. 351-353								
45		Office Space Costs.....		Acct. 351-353								
46		Return on Working Capital.....		Lines 4, 38, 39, 40-45								
47		Total-General & Administrative....		-								
48		GRAND TOTAL-EXPENSES (Lines 4, 8, 38, 39 and 47).....		-								
49		Unit Costs 6/.....		-								
		Statistical Items 1/										
50		Tons Handled.....		-				XXX	XXX	XXX	XXX	XXX
51		Hours of Direct Labor.....		-	XXX	XXX	XXX					

1/ The costs for car loading and unloading may be further broken down or analyzed to reflect (1) the cost for mechanical loading vs. physical handling, or (2) the relative cost for commodities of different densities. As to the latter the variations in expense per ton for the direct labor can be closely approximated by special time studies.

2/ Normally there will be little or no charge against special services for the use of dock space, particularly in the case of car loading and unloading. The carrying charges upon the rail loading platform, trackage, etc., are embraced in the toll charges. This treatment follows the treatment of truck roadways, platforms, ramps, turning areas, etc. Unless a specific charge is laid against the truck tonnage entering the terminal over such trucking facilities, the rail tonnage should not be assessed for any of the carrying charges on trackage facilities. Since such charges ultimately rest against the cargo in any event, a breakdown usually serves no purpose (other than possibly providing for a more equitable breakdown of the maintenance expense such as is accomplished by requiring the rail tonnage or rail carriers to bear the cost for rail facilities, and the truck tonnage or trucking lines to bear the cost for truck roadways).

3/ Allocate in proportion to the gross revenue received from each item.

4/ Allocate in proportion to the protection carried (normally there would be lit if any involved).

5/ Where office clerical expense can be segregated by direct accumulation or spe time study, assign direct.

6/ Divide the Grand Total Expenses, line 48, columns (e) to (l) by the respective performance units shown on lines 50 and 51, columns (e) to (l), respectively, (i.e., the total car loading costs of column (e), line 48, divided by the ton loaded taken from column (e), line 50, yields the cost per ton). Even where unit costs are developed the gross expenses shown in line 48, columns (e) to can be directly compared with the gross revenues received from the performance of each of these tariff services, respectively.

7/ Where tonnage cannot be used to measure the performance, use the most appropriate unit such as "hours of labor," etc. The units should be identical with those which the charges are assessed.

# TARIFF CHARGES

Of The

BOARD OF HARBOR COMMISSIONERS  
OF THE STATE OF CALIFORNIA

FOR

## SAN FRANCISCO HARBOR

Dockage, Tolls, Demurrage  
and Rentals

AND RULES AND REGULATIONS  
FOR OPERATION OF THE STATE  
BELT RAILROAD AND STATE  
GRAIN TERMINAL

No. 2

COMMISSIONERS:

J. F. MARIAS, President

GEO. SEHLMAYER

E. A. McMILLAN

Effective December 1, 1925

Amended to March 15, 1940

~~Amended to March 15, 1940~~  
Oct 9 1940

RESOLVED: That the tariff charges of the Board of State Harbor Commissioners of the State of California for San Francisco Harbor No. 2, effective December 1, 1925, Amended to December 1, 1939, be and they are hereby amended to read as follows, effective March 15, 1940.

Rates of Toll	Rate in Cents			
	Car Ferry Slips	Inland Waterway	Coastwise	Foreign Intercoast and offshore
(a) Vessels' stores and supplies, as well as all other cargo (except as provided in the following subdivision "d" and in Section 3085 of the Harbor and Navigation Code), per ton of				
2,000 lbs.-----	15	10	15	25
(b) 400 lbs. or less-----	3	2	3	5
800 lbs. or less, and more than 400 lbs.-----	6	4	6	10
1,200 lbs. or less, and more than 800 lbs.-----	9	6	9	15
1,600 lbs. or less, and more than 1,200 lbs.-----	12	8	12	20
2,000 lbs. or less, and more than 1,600 lbs.-----	15	10	15	25
(c) When measured or charged a higher rate, the foregoing subdivision will govern all cargo.				
(d) Rates apply per ton 2,000 lbs. weight, or 40 cubic feet measurement, on the basis of ship's manifest, except over car ferry slips, and as specifically provided in this section or as amended. Car ferry slip toll applies only per ton of 2,000 lbs. weight.				

1065

Rates - Specific	Foreign		
	Inland Waterway	Coastwise	Intercoastal and offshore
Water for vessels - per 100 cu.ft.	5	5	5
Bunker fuel, for use of vessel supplied both			
coal and oil - per short ton	5	5	5
Automobiles, set up - each	25	25	1 00
Gravel, chalk, clay, cliffstone, gravel,			
nitrate, ores, chrome, manganese, pyrites, rock,			
salt, sand, sulphur, zinc concentrates.			
When handled in bulk direct between vessels and/or			
barges and/or cars.	10	15	20
When deposited on pier - per short ton	10	15	25
Fire, fire, wt. 3 lbs. or over (not over 2.5 tons			
per M.) Per 1,000-----	25	25	55
Fire, fire, wt. under 3 lbs. (Not over 1.5 tons			
per M.) Per 1,000-----	18	18	35
Fire, other than fire. Per 1,000-----	20	20	40
Cattle, horses and mules. Per head-----	15	15	25
Cattle, and calves, under 1 year old. Per head---	7	7	12
Sheep and sheep. Per head-----	3	3	5
Sheep. Per 50 bundles-----	20	20	40
Softwood lumber, all kinds. Per M. Ft. B.M.-----	30	30	50
Softwood lumber, including dunnage and ship's			
lining. Per M. Ft. B.M.-----	20	20	40
Timber and poles. Each-----	16	16	28
Timber and lumber products, n.o.s. unmanufactured,			
per M. Ft. B.M.-----	20	20	40
Petroleum and petroleum products (6.6 lbs. to			
gal. in absence of wt.) in bulk, handled thru			
pipeline. per short ton-----	5	5	15
Oil, crude, fuel, gas, (7.4 lbs. to gal. in			
absence of wt.) in bulk, handled thru pipeline-			
per short ton	5	5	15
Petroleum products and vegetable oils in barrels,			
drums and containers	10	15	25
Meats, vegetable, animal and fish, handled thru			
pipeline (7.7 lbs. to gallon in absence of			
wt.) Per short ton-----	5	5	15

Page 14 - item (a) delete

Page 15 - item (b) delete

Page 15 - item (c) delete

Page 15 - item (e)

If cargo is removed from one pier to another to get quicker dispatch, a cents toll will be levied on all cargo assembled on the first pier provided same be removed within the five-day period. If not so removed, then the 25 cents toll must apply subject to the rule governing free time for assembling cargo.

2347

Transshipment Cargo

- (a) Inland waterway cargo discharged from a vessel on a pier or wharf and reshipped inland waterway by vessel from the same pier or wharf-----1  
Reshipped by vessel from another pier or wharf-additional-----1
- (b) Coastwise cargo discharged from a vessel on a pier or wharf and reshipped coastwise by vessel from the same pier or wharf-----1  
Reshipped by vessel from another pier or wharf-additional-----1
- (c) Inland waterway and coastwise cargo discharged from a vessel on a pier or wharf and reshipped interoceanic, foreign or offshore by vessel from the same pier or wharf-----2  
Reshipped by vessel from another pier or wharf-additional-----1
- (d) Interoceanic, foreign and offshore cargo discharged from a vessel on a pier or wharf and reshipped interoceanic, foreign or offshore by vessel from the same pier or wharf-----2  
Reshipped by vessel from another pier or wharf-additional-----1
- (e) Interoceanic, foreign and offshore cargo discharged from a vessel on a pier or wharf and reshipped inland waterway or coastwise by vessel from the same pier or wharf-----2  
Reshipped by vessel from another pier or wharf-additional-----1
- (f) Cargo discharged from one vessel to another and subsequently discharged on a pier or wharf shall be assessed one toll as follows:  
Inland waterway cargo-----1  
Coastwise cargo-----1  
Interoceanic, foreign and offshore cargo-----2
- (g) Cargo discharged on a pier or wharf and subsequently lifted by a vessel and loaded into another vessel lying at another pier or wharf shall be assessed one toll as follows:  
Inland waterway cargo-----1  
Coastwise cargo-----1  
Interoceanic, foreign and offshore cargo-----2

# Board of State Harbor Commissioners

for

## SAN FRANCISCO HARBOR

### CALIFORNIA

---

J. F. MARIAS.....President

GEO. SEHLMAYER.....Commissioner

E. A. McMILLAN.....Commissioner

---

M. H. GATES.....Secretary

CARL M. SMITH.....Assistant Secretary

EARL WARREN, Attorney General.....Attorney

FRANK G. WHITE.....Chief Engineer

H. E. SQUIRE.....Assistant Engineer

W. A. GEARY.....Chief Wharfinger

JOSEPH V. NARDINI.....Superintendent Belt Railroad

**TARIFF CHARGES AND RULES AND REGULATIONS OF THE  
BOARD OF STATE HARBOR COMMISSIONERS FOR  
SAN FRANCISCO HARBOR.**

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*Resolved*, By the Board of State Harbor Commissioners that on and after December 1, 1925, the following schedule of charges for Dockage, Tolls, Demurrage and Rentals for use of State piers and wharves and Rules and Regulations for operation of the State Belt Railroad and the State Grain Terminal for the Port of San Francisco be adopted as the lawful charges of the Board of State Harbor Commissioners in the management and control of the harbor of San Francisco until amended or repealed.

2-24191

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# DOCKAGE

## DEFINITIONS

(a) Dockage: The charge assessed against a vessel for berthing at a wharf, pier or seawall structure or coming within slip, channel, basin or canal.

(b) Coastwise Trade: Service along the Pacific Coast of the United States between the Mexican and Canadian borders. Exception: Coastwise vessels operating via British Columbia ports shall be classed as Coastwise.

(c) Inland Waterway Trade: Service between San Francisco and points located upon the bays, rivers and other inland waters of California.

(d) Foreign, Intercoastal and Offshore Trade: Service other than heretofore described.

## UNDER-DECK MEASUREMENT

Other than ocean-going vessels, all watercraft engaged in Inland Waterway Trade will have dockage assessed, based on under-deck tonnage measurement.

## LIGHTER RATES

(a) Lighter dockage rate is 1 cent per ton net tonnage per day of twenty-four hours, or part thereof.

(b) A lighter is understood to be a vessel which has neither power nor steering equipment; however, watercraft engaged exclusively in stevedoring, rigging or hoisting, will be granted lighter rates.

## FULL DOCKAGE RATES

Full dockage rate is 2 cents per ton per day of twenty-four hours, or part thereof, for the first two hundred net registered tonnage, or under-deck tonnage measurement and  $\frac{1}{2}$  cent for each additional ton.

## FULL DOCKAGE DEFINED

(a) Foreign, offshore and intercoastal vessels occupying assignments for which no monthly rental is paid the Harbor Commission, and foreign, offshore and intercoastal vessels whose owners, agents, or operators have no regular assignment for which a monthly rental is paid the Harbor Commission, will be charged full rate dockage, when occupied as specified below.

**DOCKAGE—Continued**

(b) Coastwise and inland water vessels other than lighters will be charged full rate dockage, when occupied as specified below:

1. Vessels docking at a wharf while discharging cargo.
2. Vessels arriving at this port with cargo on board, docking at a wharf while discharging or taking on passengers and baggage.
3. Vessels arriving at this port with cargo on board, docking at a wharf while taking on stores, supplies or fuel for such vessel.
4. Vessels with cargo on board docking at a wharf while lying idle.
5. Vessels with no cargo on board docking at a wharf while discharging passengers and baggage.
6. Vessels that are engaged in towing.
7. Vessels engaged in carrying passengers only.
8. Vessels carrying neither freight nor passengers.
9. Vessels arriving at this port with cargo on board, docking at any wharf, taking on additional cargo (exclusive of stores, supplies, or fuel for such vessel) amounting to not more than 1/5 the net registered tonnage of such vessel.

**HALF DOCKAGE RATES**

Half dockage rate is 1 cent per ton per day of twenty-four hours, or part thereof, for the first two hundred net registered tonnage, or under-deck tonnage measurement, and  $\frac{1}{2}$  cent for each additional ton.

**HALF DOCKAGE DEFINED**

(a) Foreign, offshore and intercoastal vessels (whose owners, agents or operators have an assignment for which a monthly rental is paid to the Harbor Commission), occupying their own or any other assigned berth for which a monthly rental is paid to the Harbor Commission, and all said vessels occupying a berth at Islais Creek Grain Terminal, State Products Terminal in China Basin, or Pier 45 Terminal, while engaged in terminal operations, will be charged half rate dockage.

(b) Foreign, offshore and intercoastal vessels (whose owners, agents or operators have no regular assignment for which a monthly rental is paid to the Harbor Commission) will be charged half rate dockage at all wharves when occupied as specified below.

(c) Coastwise and inland water vessels (other than lighters) will be charged half rate dockage at all wharves when occupied as specified below.

Provided, however, that any vessel lying at any pier or wharf, while idle, or while undergoing repairs, may be charged full rate dockage after ten days, at the discretion of the Chief Wharfinger.

1. Vessels with no cargo on board docking at a wharf solely for bunkering fuel, watering, fumigating, or undergoing repairs.

**DOCKAGE—Continued**

2. Vessels with no cargo on board docking at a wharf while lying idle.
3. Vessels with no cargo on board docking at a wharf taking on passengers, stores, supplies or fuel for such vessel.
4. Vessels with no cargo on board docking at a wharf while loading cargo.
5. Vessels while receiving or discharging ballast, or receiving stiffening.
6. Vessels while lying outside of a vessel at a wharf, (OB), discharging, loading or lying idle.
7. Vessels arriving at this port with no cargo on board, and operating from pier to pier to complete loading.
8. Vessels arriving at this port with cargo on board, docking at any wharf while taking on an amount of additional cargo in excess of one-fifth of its net registered tonnage, (Exclusive of stores, supplies, or fuel for such vessel).

**FISHING BOAT DOCKAGE**

Fishing boats at Fishermen's Wharf shall pay dockage as follows:

**Over-all lengths**

Rate per week,  
or part thereof

Boats under 17 feet in length.....	\$0.25
Boats 17 feet but not over 20 feet in length.....	.50
Boats over 20 feet but not over 24 feet in length.....	.75
Boats over 24 feet but not over 28 feet in length.....	1.00
Boats over 28 feet but not over 32 feet in length.....	1.25
Boats over 32 feet but not over 36 feet in length.....	1.50
Boats over 36 feet but not over 40 feet in length.....	1.75
Boats over 40 feet but not over 44 feet in length.....	2.00
Boats over 44 feet but not over 48 feet in length.....	2.25
Boats over 48 feet but not over 52 feet in length.....	2.50
Boats over 52 feet but not over 56 feet in length.....	2.75
Boats over 56 feet but not over 60 feet in length.....	3.00

Fishing boats over 60 feet in length will be charged \$15.00 dockage each, per calendar month, during fishing season, provided, however, that such boats docking at the commencement of the fishing season, within the calendar month, or leaving Fishermen's Wharf at the end of the fishing season within the calendar month shall pay a pro rata of the \$15.00 monthly rate, for the portion of said months, based on the number of days in said months the boat is docked at Fishermen's Wharf; and provided further that fishing boats over 60 feet in length, docking during a period less than one full calendar month during the fishing season, shall be charged full rate dockage, based on under-deck net tonnage.

Fishing boats over 60 feet in length will be charged \$15.00 dockage each per calendar month or fraction thereof while lying idle during off season.

## DOCKAGE—Continued

An additional charge equal to one week's dockage will be assessed against each boat for the use of the boat ways at Fishermen's Lagoon.

All live crab boxes must be numbered, such number to correspond to the number on the owner's boat.

### A DAY'S DOCKAGE

(a) Dockage commences upon the vessel when making fast to the wharf or coming within a dock, slip, basin, channel or canal, and each twenty-four hours thereafter, or part thereof, constitutes a day's dockage.

(b) No deduction shall be made for Sundays, holidays, or account weather conditions.

### PER DIEM DOCKAGE MULTIPLE

When per diem dockage of a vessel is not a multiple of five it must be reduced or increased, as the case may be, to the nearest such multiple; provided, that if it be equally near to two such multiples, it must be increased to the first such multiple above.

### PAYMENTS MADE WHEN DUE

All bills for dockage must be paid when due, whether approved by the master or not. Failure to pay said bills on presentation will subject the vessel to be placed on the Delinquent List, and to the penalties provided by law. Errors, if any, will be rectified by the Board.

### DOCKAGE TRANSFER FOR A DAY

(a) When a vessel of any kind is charged or has paid dockage at a wharf for any day, she may use the same or any other wharf during that day without further charge, no matter how often she may leave and return, provided the master of the vessel furnishes the wharfinger in charge of the facility, to which the vessel transfers, the facility number at which the day's dockage was assessed.

(b) A vessel arriving from private premises will be charged at the same rate and in the same manner as if arriving from the stream.

### CREDIT DOCKAGE LIST

The Board, in its discretion, may, upon application, release parties from the obligation of paying dockage on vessels in the manner required by these rules, provided such parties make written application to be placed on the Credit Dockage List. Said applicants must give the names and class of vessels of which they are the owners.

**DOCKAGE—Continued**

managers, agents or consignees, and must agree to pay, upon presentation, until written notice to the contrary, the dockage bills on all such vessels. If such application be granted, such person must, on presentation of bill therefor, pay such dockage. In case of failure to pay such bill on presentation, the permission shall be revoked. Ocean-going vessels not on Credit Dockage List may, in lieu of paying the dockage bill to Wharfinger at wharf, produce a slip signed by the owner or agent of the vessel, stating that he will pay, on presentation, the dockage bill due on such vessel. The bill for the dockage of said vessel, with the slip attached, must be sent forthwith to the Secretary's office for collection.

**DELINQUENT LIST PENALTY**

If any vessel leaves a wharf, slip, pier, channel or basin, unless forced to do so by stress of weather or fire, without first paying the dockage due, such vessel will be placed upon the Delinquent List, and must not be permitted to use any wharf, slip, channel or basin, without first paying double the bill incurred and \$10 in addition thereto, except by permission of the Board.

# TOLLS—WHARFAGE

## DEFINITIONS

(a) Tolls—Wharfage: The charge for cargo conveyed on, over or through any State structure, both inward and outward, or loaded or discharged while vessel is moored in any slip, basin, channel or canal.

(b) Coastwise Trade: Service along the Pacific Coast of the United States between the Mexican and Canadian borders. Exception: Coastwise vessels operating via British Columbia ports shall be classed as coastwise.

(c) Inland Waterway Trade: Service between San Francisco and points located upon the bays, rivers, and other inland waters of California.

(d) Foreign, Trans-Pacific—Trans-Continental,\* Intercoastal and Offshore Trade: Service other than heretofore described.

Rates of Toll	RATE, IN CENTS			
	Car ferry slips	Inland waterway	Coastwise	Foreign intercoastal and offshore
(a) Vessels' stores and supplies, as well as all other cargo (except as provided in the following subdivision "d" and in Section 3085 of the Harbor and Navigation Code), per ton of 2,000 lbs.	10	15	25	
(b) 400 lbs. or less	2	3	5	
800 lbs. or less, and more than 400 lbs.	4	6	10	
1,200 lbs. or less, and more than 800 lbs.	6	9	15	
1,600 lbs. or less, and more than 1,200 lbs.	8	12	20	
2,000 lbs. or less, and more than 1,600 lbs.	10	15	25	
(c) When measured or charged a higher rate, the foregoing subdivision will govern all cargo.				
(d) Rates apply per ton 2,000 lbs. weight, or 40 cubic feet measurement, on the basis of ship's manifest except over car ferry slips; and as specifically provided in this section or as amended. Car ferry slip toll applies only per ton of 2,000 lbs. weight.				

\* No tolls will be charged to shipper or consignee on Export or Import shipments moving through the port of San Francisco under rates published in Trans-Continental Freight Bureau Tariffs 29 and 30 series respectively. Such tolls will be absorbed by rail and ocean carriers under provisions of those tariffs.

## TOLLS—WHARFAGE—Continued

Rates—Specific	RATE IN CENTS		
	Inland waterway	Coastwise	Foreign intercoastal and offshore
Water for vessels—per 100 cu. ft.-----	5	5	5
Bunker fuel, for use of vessel supplied both coal and oil—per short ton-----	5	5	5
Automobiles, set up—each-----	25	25	1 00
Ballast, chalk, clay, cliffstone, gravel, nitrates, ores, chrome, manganese, pyrites, rock, salt, sand, sul- phur, zinc concentrates-----			
When handled in bulk direct between vessels and/or barges and/or cars-----	10	15	20
When deposited on pier—per short ton-----	10	15	25
Brick, fire, wt. 3 lbs. or over (not over 2.5 tons per M.) per 1,000-----	25	25	55
Brick, fire, wt. under 3 lbs. (not over 1.5 tons per M.) per 1,000-----	18	18	35
Brick, other than fire—per 1,000-----	20	20	40
Cattle, horses and mules—per head-----	15	15	25
Colts, and calves, under 1 year old—per head-----	7	7	12
Hogs and sheep—per head-----	3	3	5
Laths—per 50 bundles-----	20	20	40
Hardwood lumber, all kinds—per M. ft. B.M.-----	30	30	50
Softwood lumber, including dunnage and ship's lining— per M. ft. B. M.-----	20	20	40
Piling and poles—each-----	16	16	28
Lumber and lumber products, n.o.s. unmanufactured— per M. ft. B.M.-----	20	20	40
Petroleum and petroleum products (5.6 lbs. to gal. in absence of wt.) in bulk, handled through pipeline —per short ton-----	5	5	15
Oil, crude, fuel, gas (7.4 lbs. to gal. in absence of wt.) in bulk, handled through pipeline—per short ton-----	5	5	15
Petroleum products and vegetable oils in barrels, drums and containers-----	10	15	25
Oils, vegetable, animal and fish, handled through pipe- lines (7.7 lbs. to gallon in absence of wt.) per short ton-----	5	5	15

## TOLLS TO BE PAID BY VESSEL

(a) A discharging or a loading toll shall be imposed on vessels' stores and supplies and fuel for such vessel, as well as all other cargo (except as specified, Sec. 3085 of the Harbor and Navigation Code), and must be paid by the vessels discharging or loading same. The loading vessel may pay the toll, but in event that the loading vessel refuses to pay the toll, then the discharging vessel, barge or riverboat must pay. The Wharfinger must get a toll slip from each and every discharging operation; then obtain the proper signature from the loading company; if they refuse to assume the toll, then the Wharfinger must finally get the discharging vessel, barge or riverboat to sign the toll slip.

(b) If any vessel leaves a wharf, slip, pier, channel or basin, unless forced to do so by stress of weather or fire, without first paying the tolls due, such vessel will be placed upon the Delinquent List, and must not be permitted to use any wharf, slip, channel or basin without first paying double the bill incurred, and \$10.00 in addition thereto, except by permission of the Board of State Harbor Commissioners.

**TOLLS—WHARFAGE—Continued****WEIGHT MAY BE ESTIMATED**

When not shipped in case or barrel, etc., and actual weight or measurement is not obtainable, petroleum and petroleum products will be subject to estimated weight of 6.6 lbs. per gallon, except that crude, fuel or gas oil will be subject to estimated weight of 7.4 lbs. per gallon.

**CERTIFIED STATEMENT OF CARGO REQUIRED**

(a) The owner, agent, manager, consignee, master, or person in command of any vessel must deliver, at the time of her arrival at any wharf, or slip, at the office of the Wharfinger in charge of the wharf, a full and correct statement, signed and certified to by him, on blanks furnished by the Board, of all the cargo of every kind intended to be discharged from such vessel at said wharf, specifying the character and quantity of each kind of cargo, as per schedule adopted by the Board.

(b) The owner, agent, manager, consignee, master, or person in command of any vessel, must, before her departure from any wharf, slip, basin or channel, deliver at the office of the Wharfinger a full and correct statement, signed and certified to by him, on blanks furnished by the Board, of all the cargo of every kind received on such vessel at said wharf, specifying the character and quantity of each kind of cargo, as per schedule adopted by the Board.

(c) In case any owner, agent, manager, consignee, master, or person in command of any vessel shall neglect or refuse to deliver the statement provided for in paragraphs (a) and (b) of this rule, or shall wilfully make a statement false in any of the particulars required by such rules, he will be prosecuted therefor, and, in case of conviction, suffer the penalties provided for by law, as follows: "By a fine not exceeding \$100.00, or by imprisonment not exceeding fifty days, or by both such fine and imprisonment." (Stats. 1880, p. 10.)

**WHEN TOLLS ARE PAYABLE**

(a) Except as provided in section (b), every vessel shall be obliged to pay to the Wharfinger in charge of the wharf, the amount due for tolls upon cargo to be discharged for such vessel; and every vessel shall be obliged to pay to the Wharfinger in charge of the wharf at which she finishes receiving cargo, the amount due for the tolls upon that portion of cargo received at said wharf. Tolls due and payable—

1. On vessels intending to discharge, before any cargo is discharged
2. On vessels loading or receiving cargo, before the same is placed aboard, when possible to ascertain the amount.
3. Before the departure of the vessel from the wharf.

## TOLLS—WHARFAGE—Continued

### CREDIT TOLL LIST

(b) The Board may, upon application, release parties from paying tolls upon cargo in the manner required by these rules, provided such parties make written application to be placed upon the Credit List; and if such application be granted, the Board may require a deposit to cover the probable amount of such person's tolls in any one month; and thereafter such person must, on or before the third day of each month, deliver at the office of the Board a statement, on blanks furnished by the Board for that purpose, specifying, as per schedule adopted by the Board, the character and quantity of each kind of cargo discharged from or received at each wharf upon each trip of each vessel of which such person is the owner, master, agent, manager, or consignee during the preceding month, and must, upon presentation of bill therefor, pay the tolls thereon. And in case of a failure to furnish such statement or pay such tolls, the permission shall be at once revoked, and the vessel or vessels from which the cargo has been discharged, or upon which received, shall be placed on the Delinquent List; and the Secretary must immediately notify the Wharfingers of that fact, and apply the said deposit toward the payment of such tolls; and the balance of said deposit, if any, shall be returned to the person who made it.

(c) Any person or firm not availing themselves of the Credit Toll privilege during a period of six months, or the amount of whose tolls do not average more than \$10 per month for such time, shall be stricken from the Credit Toll List.

(d) Wharfingers are required to get from the owner, agent, master, or consignee of any vessel discharging or loading at his wharf, who is on the Credit Toll List, an order, signed by him, on blanks furnished by the Board, requesting the tolls on such vessel or vessels to be charged to his account; said order to be filed with the Wharfinger's daily report.

### PENALTY FOR FAILURE TO PAY TOLLS

In case any person shall discharge from, or allow to be discharged from, any vessel made fast to or using any wharf, or slip, any cargo before the tolls thereon have been paid, or permit any watercraft to leave any wharf, or slip, unless forced to do so by stress of weather, or fire, before the tolls on any cargo received while at such wharf or slip have been paid (except such person is upon the Credit List), he shall be prosecuted therefor, and upon conviction thereof he shall be punished as provided by law, which is as follows:

**TOLLS—WHARFAGE—Continued**

"By a fine not exceeding \$500, or by imprisonment not exceeding one hundred days, or by both such fine and imprisonment." (Stats. 1880, p. 10.)

**WHARFINGER MAY INSPECT VESSELS**

The Wharfinger is authorized to enter upon and inspect any vessel to ascertain the kind and quantity of cargo thereon, and no person shall hinder or molest any Wharfinger or refuse to allow him to enter upon any vessel for the purposes specified in this rule.

**MANIFESTS TO BE FURNISHED**

When requested the master, agent, or consignee of vessels must furnish copies of their manifests.

**WHEN NO TOLLS TO BE COLLECTED**

SECTION 3085. Harbor and Navigation Code. Tolls or wharfage shall not be collected from travelers going on board or leaving any steam vessel or ferry, or upon their carriages or baggage, nor from any person or vehicle employed to transport or convey the baggage to or from any steam vessel or ferry, nor for empty packages returned to the wharf or any vessel; nor for domestic supplies weighing less than one hundred pounds and intended for consumption by private individuals, and not for sale.

**TRANSSHIPMENT CARGO**

- |   |     |
|---|-----|
| (a) Inland waterway cargo discharged from a vessel on a pier or wharf and reshipped inland waterway by a vessel from the same pier or wharf.....                                    | 10c |
| Same cargo reshipped inland waterway by vessel from another pier or wharf additional.....   | 5c  |
| Inland waterway cargo discharged from a vessel on a pier or wharf and reshipped coastwise by a vessel from the same pier or wharf.....  | 15c |
| Same cargo reshipped by a vessel from another pier or wharf additional.....   | 5c  |
| Inland waterway cargo discharged from a vessel on a pier or wharf and reshipped intercoastal, foreign or offshore by a vessel from the same pier or wharf.....                      | 25c |
| Same cargo reshipped by a vessel from another pier or wharf additional.....   | 5c  |
| (b) Coastwise cargo discharged from a vessel on a pier or wharf and reshipped inland waterway or coastwise by vessel from the same pier or wharf.....                               | 15c |
| Same cargo reshipped by vessel from another pier or wharf additional.....   | 5c  |
| Coastwise cargo discharged from a vessel on a pier or wharf and reshipped intercoastal, foreign or offshore by a vessel from the same pier or wharf.....                            | 25c |
| Same cargo reshipped by vessel from another pier or wharf additional.....   | 5c  |
| (c) Intercoastal, foreign and offshore cargo discharged from a vessel on a pier or wharf and reshipped intercoastal, foreign or offshore by vessel from the same pier or wharf..... | 25c |
| Same cargo reshipped by vessel from another pier or wharf additional.....   | 5c  |
| (d) Intercoastal, foreign and offshore cargo discharged from a vessel on a pier or wharf and reshipped inland waterway or coastwise by vessel from the same pier or wharf.....      | 25c |
| Same cargo reshipped by vessel from another pier or wharf additional.....   | 5c  |

## TOLLS—WHARFAGE—Continued

- (e) Cargo discharged from one vessel to another and subsequently discharged on a pier or wharf shall be assessed one toll as follows:
- |  |     |
|--|-----|
| Inland waterway cargo                    | 10¢ |
| Coastwise cargo                          | 15¢ |
| Intercoastal, foreign and offshore cargo | 25¢ |
- (f) Cargo discharged on a pier or wharf and subsequently lifted by a vessel and loaded into another vessel lying at another pier or wharf shall be assessed one toll as follows:
- |  |     |
|--|-----|
| Inland waterway cargo                    | 10¢ |
| Coastwise cargo                          | 15¢ |
| Intercoastal, foreign and offshore cargo | 25¢ |
- (g) If two piers are used in the handling of cargo, then two tolls shall be collected.
- (h) If cargo is removed from one pier to another to get quicker dispatch, a 5 cents toll will be levied on all cargo assembled on the first pier provided same be removed within the five-day period. If not so removed, then the 25 cents toll must apply subject to the rule governing free time for assembling cargo.

## TOLLS ON SHIPMENTS FROM OR TO CARS ON PIERS

Merchandise discharged from cars, while spotted on piers, or merchandise landed on piers from cars, to be removed from piers by teams or trucks, must pay coastwise tolls. Merchandise landed on piers or to cars by trucks or teams to be removed by cars must pay coastwise tolls.

## WHARF RENTALS

### DEFINITIONS

- (a) Rental: The charges per square foot for wharf area assigned.
- (b) Coastwise Trade: Service along the Pacific Coast of the United States between the Mexican and Canadian borders. Exception: Coastwise vessels operating via British Columbia ports shall be classed as Coastwise.
- (c) Inland Waterway Trade: Service between San Francisco and points located upon the bays, rivers, and other inland waters of California.
- (d) Foreign, Intercoastal and Offshore Trade: Service other than heretofore described.

### TEMPORARY ASSIGNMENT UPON APPLICATION

- (a) Temporary assignment will be made upon application to the Chief or Assistant Chief Wharfinger and only after such application is approved by the Chief or Assistant Chief Wharfinger is a vessel entitled to berth.
- (b) Such application must state the length and draught of the vessel, kind of cargo and should specify locality desired.
- (c) Berths shall be assigned in the order of arrival, except vessels ready to discharge cargo shall have preference over those ready to receive cargo.

Any vessel engaged in Foreign, Intercoastal or Coastwise or inland waterway trade that takes a berth outside of its own regular assignment without first filing a formal application for such berth with the Chief Wharfinger, will be fined \$25.

### REGULAR ASSIGNMENTS

Upon application to the Board, regular monthly assignments will be granted when available, but only when necessary to maintain efficient service.

### UNOCCUPIED ASSIGNED BERTH MAY BE USED

The assignment of berth privilege, either a temporary or regular assignment, includes only the preferential right of the person or firm making application therefor to dock vessels owned or operated by said person or firm, at such berth, subject to the provision that when such berth be unoccupied, the Chief Wharfinger may use said berth or pier for such other operations as he may deem expedient.

**WHARF RENTALS—Continued****OUTSIDE BERTH EXPENSES DIVIDED**

When an outside berth assignment is made to an assigned pier, the steamship company so assigned must pay to the assignee of the pier its share of all pier expenses; namely, lights, water, telephone, watchman, gateman, heating, if any, while occupying the berth, until the operation of loading or discharging has been fully completed.

**ASSIGNMENTS NOT TRANSFERABLE**

Assignments or berth privilege and all other assignments of space on wharves or other property of the State under jurisdiction of the Board are not to be sublet or transferred. Forfeiture of the assignment of privilege is the penalty for violation of this rule.

**RATES**

*Monthly rate  
per square foot*

Vessels engaged in Coastwise or Inland Waterway Trade...\$0.012

Vessels engaged in Foreign or Offshore Trade.....**.006**

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## WHARF DEMURRAGE

### DEFINITION

**Wharf Demurrage:** The charge assessed against merchandise which remains on the wharf or pier beyond the free period.

### FREE TIME FOR ASSEMBLING CARGO

(a) Exclusive of Sundays and Legal Holidays, the free time allowed for assembling cargo upon space assigned shall be as follows:

Coastwise and Inland Waterway Trade.....	5 days
Foreign, Offshore and Intercoastal Trade.....	10 days

(b) Coastwise and Inland Waterway Trade: All assembled cargo remaining on space assigned longer than free period provided herein (five days after assignment of space), shall thereafter be assessed 2½ cents per ton per day weight or measurement, whichever will yield the greater revenue, for the first five days or part thereof and 5 cents per ton per day for the next five days or part thereof and 10 cents per ton per day for each succeeding day late (one ton minimum). Lumber may be charged per 1000 feet, board measurement.

(c) Foreign, Offshore and Intercoastal Trade: All cargo assembled may remain upon space assigned the maximum free time named herein without charge. A vessel that is one day late in commencing to load assembled cargo will be charged for only such cargo as was upon space assigned at close of first assembling day; two days late, for only such cargo as was upon space assigned at close of first and second assembling day, etc., at the following rates:

(Lumber may be charged per 1000 feet, board measurement.)

1st day to 3d day late, inclusive.....	2½ cents per ton per day
4th day to 7th day late, inclusive.....	5 cents per ton per day
Each succeeding day late.....	10 cents per ton per day

(d) Minimum charge: When no cargo is assembled within the five or ten day periods, or when the charge assessed against cargo assembled aggregates less than half dockage rate, such half dockage rate shall be assessed against vessel that fails to commence loading, for each day beyond the five or ten day free period.

(e) This assessment shall be against the ship for which cargo is assembled and must be paid by receiving ship. It is expected that ship operators will exert every effort to obviate these charges by figuring

## WHARF DEMURRAGE—Continued

closely and permitting no cargo to be assembled, the loading of which will not commence within the free time allowed.

### FREE TIME FOR REMOVING DISCHARGED CARGO

Exclusive of Sundays and Legal Holidays, Coastwise and Inland Waterway and Intercoastal cargo remaining when necessary, on space assigned longer than 5 days, Foreign, Offshore longer than 7 days and in transit cargo longer than 10 days, shall thereafter (Sundays and Holidays not excepted), be assessed a wharf demurrage charge of 25 cents per ton, weight or measurement, whichever will yield the greater revenue, for the first 5 days or part thereof, and 50 cents per ton for each succeeding period of 5 days or part thereof (one ton minimum).

Exception: Grain, flour, millstuffs, onions, potatoes, beans, and seeds may, when necessary, remain on Pier No. 27 until five o'clock p.m. on the third day after discharge free of demurrage charge; for the next seven days, or any part thereof, Sundays and Holidays excepted, there shall be a demurrage charge of 5 cents per ton, weight or measurement, whichever will yield the greater revenue; for each additional day of twenty-four hours, or fraction thereof, thereafter, the demurrage charge shall be 5 cents per ton, weight or measurement, whichever will yield the greater revenue (one ton minimum). The term "grain" is intended to and does include wheat, barley, oats, corn and rye; the term "flour" includes only bran, middlings, shorts and ground feed.

### MAXIMUM FREE TIME

The maximum free time of cargo for local delivery shall be 5 days; Foreign or Offshore 7 days; in transit 10 days; exclusive of Sundays and Holidays. The Chief Wharfinger is empowered at any time to shorten this free time provided herein and to cause the removal of any cargo, or portion thereof, at the expense of the owner or consignee irrespective of the free period.

Whether moving directly to or from bulkhead or left on pier, all cargo remaining on space assigned is entitled to free time only as provided for assembling or for removing shipments.

### OTHER WHARF DEMURRAGE RATES

When space is available and the prompt loading and discharging of a vessel will in no manner be interfered with, cargo as described below may, at discretion of the Chief Wharfinger, be held at demurrage rate of 12½ cents per ton, weight or measurement, whichever will yield the greater revenue, for each seven days or part thereof; Sundays and Holidays not excepted (one ton minimum). (Lumber may be charged per one thousand feet, board measure.)

**WHARF DEMURRAGE—Continued**

1. All cargo that is not removed by vessel for which assembled; such cargo as rejected, left over, or over booked. (Until stored, such cargo is subject to wharf demurrage, commencing from date vessel finishes loading or leaves pier, at rate of 2½ cents per ton per day for the first 5 days, 5 cents per ton per day for the next 5 days, and 10 cents per ton per day for each succeeding day thereafter.)

2. Outbound cargo in transit received prior to assembling date of vessel. Charge to commence when cargo was placed on pier and continue until receiving date of vessel.

3. Inbound cargo in transit pending final disposition. Charge to commence at expiration of free period and to continue until cargo is lifted or removed from pier.

**NO RESPONSIBILITY ASSUMED**

The Board assumes no responsibility for handling, insurance or otherwise, and reserves the right to terminate storage of any goods and to cause removal thereof at expense of owner.

**CLAIMS FOR REFUNDS TIME LIMIT**

Claims for refunds must be presented within thirty days from the month of billing in order to receive consideration by the Board.

## WHARF DEMURRAGE ON LUMBER, SHINGLES OR LATHS

Hardwood lumber coming from foreign ports will be treated as part cargo inside the pier with a limit of 7 days free time after final discharge of vessel. If trucked immediately to the bulkhead outside of the pier 10 days free time will be allowed after final discharge of vessel.

Lumber discharged on open piers, wharves or bulkheads for the purpose of manufacturing box shooks at the box factories must be hauled at the rate of 50,000 feet per day beginning immediately after the final discharge of vessel. Otherwise the rule relative to wharf demurrage on lumber, shingles or laths will apply.

Logs discharged on open piers, wharves or bulkheads for the sole purpose of the construction of new building sites in San Francisco's business district will be allowed 10 days free time from the final discharge of the vessel. Otherwise the rule relative to wharf demurrage on lumber, shingles or laths will apply.

All lumber, shingles or laths discharged by coastwise or inland waterway vessels at piers, wharves or bulkheads for local delivery, or car delivery, shall abide by the following rule (Sundays and Holidays excluded):

From 1,000 feet to 100,000 feet—4 days free time after final discharge of vessel.

From 101,000 feet and upwards—7 days free time after final discharge of vessel.

If lumber, shingles, or laths remain on piers, wharves or bulkheads longer than the above stated times a charge at the rate of 15 cents per day per 1000 feet board measure will be made, until cleared.

## ISLAIS CREEK LUMBER TERMINAL

Area on Seawall Lot No. 344, adjacent to Wharf 92, is declared a terminal for the handling of lumber only.

Lumber transferred to this area on which tolls have been declared to the Board of State Harbor Commissioners, will be granted 10 days free time (Sundays and Holidays included) plus any unused free time to which the cargo was entitled by virtue of the declaration of tolls.

Lumber remaining at the terminal after the expiration of the free time will be assessed demurrage at the rate of 15 cents per 1000 feet board measure for each 30-day period or part thereof, until removed.

## ISLAIS CREEK GRAIN TERMINAL

### GRAIN, TOLL AND DEMURRAGE RATES

Commencing August 4, 1932, the following toll and demurrage rates shall apply to the Islais Creek Grain Terminal:

	Per ton
Toll (20 days free time)-----	25¢
Bulkhead Demurrage, first 10 days, following free time-----	15¢
Bulkhead Demurrage, next 30 days, or fraction thereof-----	25¢
Bulkhead Demurrage, next 30 days, or fraction thereof-----	25¢

Demurrage rates beyond the above periods shall be 5 cents per ton for each 30 days or fraction thereof, provided, however, that the maximum time for any shipment at the above rates shall not extend beyond one year following its arrival. All grain remaining in terminal at the end of each expiring year of its arrival shall be treated as a new arrival, and original rates apply.

## TERMINAL TOLL AND DEMURRAGE RATES

Toll and demurrage rates at State Products Terminal (56) and Pier 45 Terminal, for terminal operations shall be as follows:

### GENERAL MERCHANDISE (NOT OTHERWISE SPECIFIED)

	Per ton
Toll (10 days free time)-----	25¢
Demurrage, first 20 days following free time-----	15¢
Demurrage, next 30 days or fraction thereof-----	25¢
Demurrage, next 30 days or fraction thereof-----	30¢

Demurrage rates beyond the above periods shall be 30 cents per ton for each 30 days or fraction thereof.

### FERTILIZER AND FERTILIZER MATERIAL

Urea  
Sulphate of Ammonia  
Nitrate of Soda  
Calcium Nitrate  
Leuna Saltpeter

Cal Urea  
Calnitro  
  
Nitrogen Phosphate Compound  
Ammoniated Phosphate  
Leunaphos

## FERTILIZER AND FERTILIZER MATERIAL—Continued

Basic Slag	Nitrate of Potash, Fertilizer Grade
Superphosphate	Fertilizer Compounds or mixed
Sulphate of Potash	Fertilizers
Muriate of Potash	Bone Meal, odorless
Sulphate of Potash, Magnesia	Fish Meal
Manure Salts	Soda Ash
Kainit	

	Per ton
Tolls (10 days free time)-----	25¢
Demurrage, first 20 days, or fraction thereof following free time	7½¢
Demurrage, next 30 days, or fraction thereof-----	12½¢
Demurrage, next 30 days, or fraction thereof thereafter-----	15¢

## MISCELLANEOUS

### DISTANCES FROM PIERHEAD

Vessels must not run within five hundred (500) feet from and parallel to the pierhead line.

### OBEY ORDERS OF CHIEF OR ASSISTANT CHIEF WHARFINGER

(a) *Vessels must at all times have on board at least one person in charge with authority to take such action in any emergency as may be demanded.*

(b) A vessel must haul or go into the stream at its own expense when so ordered by the Chief or Assistant Chief Wharfinger, who shall have power to enforce removal at the expense of such vessel.

(c) The master, agent, or owner of a vessel refusing or neglecting to obey the orders of the Chief or Assistant Chief Wharfinger in any matter pertaining to the regulation of the harbor, or removal or stationing of such vessel, is guilty of a misdemeanor, and liable to a fine not exceeding \$300, or imprisonment not exceeding one hundred days. (Political Code, Section 2541.)

### MUST REPORT DAMAGE TO STATE PROPERTY

(a) In case any damage is done to a pier, wharf or other state property, the extent of damage, together with the name of vessel or person causing it, must be reported in writing forthwith by the Wharfinger in charge to the Chief Wharfinger, giving the date and hour, if possible, and the names and addresses of the person or persons witnessing accident.

(b) The Chief Wharfinger shall, in turn, immediately report said damage to the Chief Engineer and to the Secretary of the Board.

(c) Expense of repairing said damage shall be charged against vessel or individual responsible.

(d) Vessels of 1000 net tons or over are cautioned not to use the dolphins on the outer ends of the wharves to break or warp around when making a landing.

### SAILING VESSELS MUST APPROACH "HEAD ON"

Sailing vessels when being moved into a slip or alongside the wharf must approach "head on," and when at the wharf must lie head toward the shore. The studding-sail booms and sprit-sail yards must be rigged in, their offshore anchors suspended ready for dropping, their lower

## MISCELLANEOUS—Continued

and topsail yards braced "sharp up" on their inshore braces, except when in actual use discharging or loading cargo; and, when required by the Wharfingers, their movable fore-and-aft spars, jibboom, and martingale must be rigged in.

### USE MOORING FACILITIES PROVIDED

No person shall make fast any rope or mooring to any wharf (except to the mooring piles, mooring bitts or rings provided for this purpose) or to any shed or piles supporting same or to any dolphin or fender piles.

### STRETCHING LINES ACROSS SLIP PROHIBITED

Vessels lying at wharf are strictly prohibited from stretching mooring lines across the slip to the opposite wharf, without first obtaining the permission of the Chief Wharfinger.

### LIGHTS AT NIGHT MUST SHOW

A vessel while anchored or moored in the harbor must at all times of the night show lights.

### CHUTES TO BE USED

When ballast, stone, coal, bricks, ashes, cinders, dust, rubbish or other loose matter or material that will sink, is being landed from a vessel upon a wharf, or is being transferred from one vessel to another, a canvas chute or other contrivance to the satisfaction of the Wharfinger must be used to prevent any part of such substance falling into the slip.

### FIRE PROHIBITED

Fire must not be used on board of any vessel at the wharves or in the slips for heating pitch, tar, or other inflammable substances, but may be used on floating stages or boats for the purpose of heating such substances for repairing vessel; provided such fire is constantly in charge of a person capable of taking proper care of the same. No bonfire nor open fire for the burning of rubbish or refuse materials shall be allowed on any of the State property under the jurisdiction of the Board of State Harbor Commissioners, and it shall be the duty of the Wharfingers to strictly enforce this rule.

### SPARK CATCHER REQUIRED

Every steam engine, when used upon any wharf for loading or unloading cargo, and pile driver when working on or alongside any wharf, must have upon its smokestack a bonnet or spark-catcher that will effectually prevent sparks from falling upon such wharf or upon

**MISCELLANEOUS—Continued**

the deck of any vessel. In operating donkey or hoisting engines under sheds there must be provided by the owner or operator a bent or curved pipe, with spark arrester, extending to the outside of the shed. The owners and operators of donkey or hoisting engines operated on any of the wharves on the waterfront must clean up and remove all ashes, cinders, and waste from their engines.

**FLOATING PILES OR TIMBER NOT ALLOWED**

No floating piles or timber shall be allowed to remain in any Slip without permission of the Chief or Assistant Chief Wharfinger.

**NO RUBBISH DEPOSITS**

(a) No substance that will sink or form an obstruction to navigation or become a nuisance shall be deposited in the waters of the harbor without first obtaining permission from the War Department, United States Engineer's Office, Customhouse.

(b) Rubbish or other substance on which no demurrage is charged, must be removed from the wharf, bulkhead or other State property by the person placing it there; otherwise it will be removed by the Wharfinger at the expense of the party responsible.

**OBSTRUCTIONS TO BE REMOVED**

(a) Coal screens, donkey engines, stevedores' tools and appliances, merchandise, vehicle, material or structure, must be removed from the wharves or other State property when directed by the Wharfinger.

(b) If any obstruction be not removed within twenty-four hours after notice, such material will be stored or sold by the Board of State Harbor Commissioners, and \$25 charged for each day that the obstruction is permitted to remain, together with the expense of removal, storage or sale.

**AUTHORITY TO COLLECT PORT CHARGES**

Every person who collects any Dockage, Tolls, Wharf Rentals, Wharf Demurrage, Bulkhead Storage, or rental for cranes and equipment owned by the Board, or lands, ships, or removes any property upon or from any portion of the waterfront of San Francisco, or from or upon any of the wharves, piers or landings, under the control of the State Harbor Commissioners, without being by such Board authorized so to do, is guilty of a misdemeanor. (Penal Code, Section 642.)

**VESSELS EXTENDING BEYOND PIER RESPONSIBLE**

Vessels while lying across the end of any pier or wharf, or whose sterns extend beyond the end of any pier or wharf, will be responsible for any and all damage to themselves or to any other vessel while occupying that position.

## MISCELLANEOUS—Continued

1691

### WEIGHT PERMITTED ON WHARF

No load exceeding seven and one-half tons, except in the case of a single package, shall be admitted on or taken off a wharf. A single package exceeding seven and one-half tons may be admitted on or taken off a wharf with permission of the Chief Wharfinger and upon compliance with such conditions as he may impose therefor. No weight exceeding 500 pounds per square foot or its equivalent shall be allowed on any pier or wharf; and driving on a wharf faster than a walk is forbidden, and a violation of this rule shall subject the offender to prosecution for misdemeanor.

### NO LIABILITY FOR LOSS OR DAMAGE

The Board is not liable for damages to, or loss of, merchandise while on a wharf, bulkhead, or other State property.

### SMOKING NOT ALLOWED

No smoking allowed on any wharf or bulkhead. Persons violating this rule will be prosecuted under Ordinance No. 831 of the City and County of San Francisco.

### EXPLOSIVES, COMBUSTIBLES, INFLAMMABLES, ETC.

(a) No gunpowder nor other explosive shall be discharged on or removed from any wharf or structure, or vessel. Explosives meant herein are defined in paragraph 1503 of the Regulations of the Interstate Commerce Commission for the transportation of explosives, quoted and referred to in paragraph 12 of the federal rules and regulations on Anchorage Ground."

(b) Acids, combustibles (benzine, coal oil, distillate, gasoline, liquid petroleum, naphtha, turpentine, or other combustibles) and inflammables (paper, rags, excelsior, sisal, hay and straw, and other flammable products) shall not be permitted to remain over night on any wharf. Unless removed by the owners or consignees by 5 o'clock p.m. each day, the Chief Wharfinger shall have them removed at the expense of whom it may concern.

(c) The Chief Wharfinger has authority to employ a special watchman at the expense of the consignee when in his judgment it is necessary to protect property of the State against fire.

(d) Pressed rags from the Orient are exempt from special watchman.

**MISCELLANEOUS—Continued****HANDLING PETROLEUM PRODUCTS**

(a) The storage, keeping or use of gasoline, distillate or other liquid petroleum products on premises under control of this Board, except at such localities as may be specially designated therefor, is strictly prohibited; and at such localities as may be designated therefor, same shall not be handled, except between sunrise and sunset.

(b) Vessels will be allowed to take on board gasoline or distillate only between 8 a.m. and 5 p.m. and when vessel is otherwise ready to depart. Delivery must be made from wagon to vessel direct. If the vessel is not ready to receive same the loaded wagon will not be allowed to wait on wharf but must immediately pull off same.

(c) Empty gasoline or distillate drums must be removed from the wharf at once and Wharfingers are hereby directed to notify the owners thereof to remove same.

(d) All vessels carrying oil for fuel must store the same in steel or iron tanks.

(e) No vessel carrying oil for fuel in wooden tanks or wooden compartments shall be allowed to lie alongside or make fast to any other vessel while the same is lying at any pier, or wharf, or to lie alongside or make fast to any structure under the jurisdiction of the Board of State Harbor Commissioners.

(f) All oil for fuel purposes must be delivered through a steam pump so as to pump the oil into the vessel to be supplied as quickly as possible, and all vessels carrying oil for fuel must be kept clear of rubbish, etc., which is liable to catch fire from sparks.

(g) No vessel loaded with Coalinga oil, or any other oil which will flash below 110 degrees Fahrenheit, shall be permitted to haul alongside of any vessel or structure.

(h) No vessel engaged in the business of supplying fuel oil shall be allowed when empty to haul or lie alongside any vessel, pier, or wharf. Any vessel after having discharged oil must immediately haul away from vessel or structure and depart.

(i) No person, firm, association or corporation shall discharge or deposit, or shall cause or suffer to be discharged or deposited, or to pass, in or into the waters of the bay of San Francisco, any coal tar or refuse or residuary product of coal, petroleum, asphalt, bitumen or other carbonaceous material or substance. Every person, firm, association or corporation that violates the above rule will be prosecuted under the provisions of section 374½ of the Penal Code.

**SELLING PERISHABLE PRODUCTS**

(a) No person, firm or corporation shall be permitted to sell any fruit, vegetables, poultry, eggs, honey, game or other produce, com-

## MISCELLANEOUS—Continued

ly known as perishable products, over and upon any of the public wharves or other property belonging to this State in the City and County of San Francisco and within the jurisdiction of the Board of State Harbor Commissioners who is now or who may become a party to a conspiracy, agreement or undertaking, whereby such person, firm or corporation shall refuse to sell within this State to any solvent purchaser or buy from any person whatever within this State, or who does not sell impartially and at the same prices to all within this State who are willing to purchase for cash without regard to their business or intended position of the products, or who exercises any discrimination whatever between buyers and sellers by reason of their occupation, affiliations or nonaffiliations.

(b) Holders of permits to sell perishable products on the wharves and other State property under the jurisdiction of the Board must, on demand, sell to purchasers on such wharves and other State property, potatoes in lots as small as ten sacks and onions in lots as small as five sacks.

### PORT CHARGES, HOW ENFORCED

For the purpose of enforcing the charge for dockage, tolls, wharfage, lashing, bulkhead storage, etc., on goods, wares, and merchandise landed on any wharf, pier, or thoroughfare, or remaining thereon longer than the time prescribed by the harbor regulations, the said Board of State Harbor Commissioners are authorized to take possession of such goods, wares, and merchandise, and if such charge be not paid within two days thereafter, may remove and store the same at the charge, risk and expense of the owner or consignee thereof, or may sell the same by public auction, with or without notice, at their discretion.

### WHARVES, HOW CLEARED

For the purpose of keeping the wharves, piers, basins, channel, and thoroughfares free of obstructions, the said Commissioners shall cause written notice to be served on the owner, agent, consignee, or person in possession of any such obstructing material or structure, or may post notice thereon, at their discretion, requiring its removal within twenty-four hours thereafter; and on failure to comply therewith the Board of State Harbor Commissioners may remove, store or sell the same by public auction, at their discretion. From the proceeds of any sale they shall retain all the wharfage and tolls due, with ten per cent thereon, and in case of obstruction, twenty-five dollars for each day and every day during which the wharf, pier, or thoroughfare has been obstructed, and also all the expenses attending such sale, and the balance, if any, shall be paid to the proper party. Such sale shall be subject to immediate removal.

## MISCELLANEOUS—Continued

### MOTOR VEHICLES ON WHARVES AND PIERS

(a) No motor vehicle operated by gasoline; or any product of petroleum, except it be in immediate transit to or from a ferryboat, shall be admitted on any wharf or pier under the jurisdiction of the Board of State Harbor Commissioners, unless the owner or owners thereof shall have first been granted a permit by said Board for said vehicle to enter upon said wharves and piers, said vehicle to be identified by its registered number, and also by a wharf number designated by the Board.

(b) No motor vehicle operated by gasoline, or any product of petroleum, shall be entitled to a permit to enter upon the wharves and piers, under the jurisdiction of the Board of State Harbor Commissioners, unless such vehicle is to be actually engaged in the transportation of freight, to and from such wharves and piers, as a business; provided, however, that ambulances and hearses of undertaking establishments, and ambulances and other vehicles of hospitals, and of the health and police departments, whose motive power is gasoline, or any product of petroleum, may, upon the application of the owner or owners thereof, be granted permits to enter upon the wharves and piers in the transaction of their business, but shall be subject to the same restrictions as are imposed upon other motor vehicles described in these rules.

(c) The operator of a motor vehicle, to the owner of which a permit has been granted, must be prepared to produce, and must produce, when called upon by a Wharfinger, or member of the Harbor Police, said permit for inspection.

(d) Upon notification by the Secretary of the Board that any permit has been canceled or revoked, the Wharfinger, or member of the Harbor Police on duty at any wharf or pier at which the vehicle for which said permit was granted applies for entrance, must deny such entrance, and take from the vehicle the wharf number attached thereto, and shall also take up the permit granted by the Board to such vehicle.

(e) No motor vehicle, operated by gasoline, or any product of petroleum, from which is dripping any gasoline, or other oil, shall be allowed to cross or enter upon any wharf or pier or other State property under the control of the Board of State Harbor Commissioners.

(f) No gasoline, or any product of petroleum, shall be put into or taken out of any motor vehicle while same is upon a wharf or pier or upon State property adjacent thereto.

(g) No filling of motor vehicles with gasoline, or any product of petroleum, shall be permitted upon any wharf or pier under any circumstances. In case of the gasoline in any vehicle becoming exhausted, said vehicle must be hauled off State property before replenishing or refilling same with gasoline.

## MISCELLANEOUS—Continued

(h) No operator of a motor vehicle using gasoline, or any product of petroleum, and run by steam power, shall be permitted to light his pilot light while the vehicle is on a wharf or pier or on other State property adjacent thereto.

(i) No motor vehicle operated by gasoline, or any product of petroleum shall be allowed to stand on any wharf or pier for an unreasonable length of time, and only when actually engaged in loading or unloading freight or passengers; and any such vehicle left standing on such wharf or pier without the constant presence and attendance of its operator, or longer than is deemed reasonable by the Wharfinger in charge, may be removed and warehoused by such Wharfinger so in charge, or by any member of the Harbor Police.

(j) The owner, owners or operator of any motor vehicle operated by gasoline, or any product of petroleum, who shall wilfully disregard these rules, shall be reported at once to the Board of State Harbor Commissioners, which Board may thereafter deny the offender or offenders further admission to and transit across the State wharves and piers.

(k) Sand shall be kept in buckets, fit and available for absorbing waste oil that may fall upon the floors of the wharves and piers, and such sand, when saturated, shall be removed at once to a safe place outside the limits of State property.

### ELECTRIC CURRENT FOR POWER AND SHIP LIGHTING

All electric current used for ship lighting, pier lighting or power shall pass through the master meters of the Board of State Harbor Commissioners, and will be supplied at the following rates:

	<i>Per kwh</i>
(a) For the first 300 kwh used during any one month.....	\$0.06
(b) For the next 500 kwh used during any one month.....	.05
(c) For all over 800 kwh used during any one month.....	.04
(d) For connecting up a ship with light or power circuits in cases where the ship furnishes shore cables, plugs or motor connections, the service charge will be .....	7.50
(e) For pier lighting in cases where a ship is temporarily berthed and using pier lights the service charge will be .....	7.50
(f) For extension of light or power circuits, where necessary, or to supply shore cables, plugs or motor connections the service charge will be .....	7.50
plus time and material.	
(g) For installation of sub-meter, where necessary, in addition to service charge .....	2.50

(h) When a ship or motor is connected as in (d) or (e) and the ship temporarily leaves the pier and returns during the same voyage, no additional service charge will be made.

**MISCELLANEOUS—Continued**

(i) Ships moving from one pier to another of their own volition and requiring connections shall be charged as (d), (e), (f) and/or (g) apply; but ships berthed for repairs and moved by order of the Chief Wharfinger will not be required to pay additional service charges, but shall pay time and material charges, and/or sub-meter charges as (f) and/or (g) apply.

(j) On assigned piers there shall be no service charge for connections for pier lighting or power where such service is through permanent connections.

(k) Notice for temporary connection should be sent to the Chief Engineer, Board of State Harbor Commissioners.

**CRANAGE AND EQUIPMENT, PORTABLE**

The Port of San Francisco is supplied with varied, extensive and modern tackle which generally is privately owned and subject to contract rates. A fleet of floating equipment makes heavy lifts of 75 and 100 tons easy, and saves expensive shifting of vessel.

**HANDLING CHARGES**

This work is left to each carrier or individual, either to be performed by them at cost to themselves, or subject to contract arrangements between such interested carriers or individuals and competing labor.

# **BELT RAILROAD**

## **Regulations of the Board of State Harbor Commissioners in Operations of the Belt Railroad**

(a) The entire cost, both material and labor, for installing connections to the Belt Railroad tracks from other railroads or private industries, shall be at the expense of the applicant.

(b) When such a connection is discontinued on order of the Board of State Harbor Commissioners, the spur material may be removed by the party holding the spur at his expense and for his own use, but when abandoned or discontinued by the party holding the spur, the track and other construction and materials remaining on State property shall be and remain the property of the State.

(c) No connection shall be made with any Belt Railroad track except by permission of the Board of State Harbor Commissioners in writing.

(d) Switching or storing cars on tracks of Belt Railroad other than tracks assigned to other railroads or private industries is entirely under jurisdiction and control of Belt Railroad.

(e) When Belt Railroad tracks have been assigned to other railroads or private industries, such assigned tracks shall not be used by any other parties except on permission of the holder of the assignment and with approval of the Superintendent of the Belt Railroad.

(f) The State of California, the Board of State Harbor Commissioners and the Belt Railroad assume no risk of cars or contents while on its rails, it being understood that such risk is assumed by the railroad that owns or controls the cars or the shippers.

(g) No passengers carried on the Belt Railroad.

(h) Switching, team track and storage charges must be paid in advance by patrons who are not on the Credit List, or cars will be held for charges.

(i) Team track and storage track room under control of Belt Railroad being limited, the privilege to shipper of having cars placed on these tracks must be secured from the Superintendent of Belt Railroad in advance.

(j) Damages caused to Belt Railroad equipment by reason of defective condition of private spurs or by obstructions thereon must be fully and promptly paid for to the Board of State Harbor Commissioners.

## **BELT RAILROAD—Continued**

(k) The Superintendent of the Belt Railroad reserves the right to discontinue service on any of the private spur tracks when same are not in a proper condition to safeguard life and equipment.

(l) Switching on Sundays and holidays will be performed in cases of emergency only, and upon previous application to the Superintendent of the Belt Railroad. The charge made for such emergency switching will be upon the basis of the tariff.

(m) The Belt Railroad can furnish on prompt notice box cars and flat cars, for the movement of commodities exclusively on the Belt Railroad tracks.

For Belt Railroad rates see specific tariff issued by Board of State Harbor Commissioners.

## **STATE REFRIGERATION TERMINAL**

This facility situated on China Basin is provided for the purpose of furnishing shipside refrigeration for in transit cargo and the rules, regulations and charges for refrigeration service at this terminal are covered by a specific tariff issued by the Board of State Harbor Commissioners.

**EXHIBIT No. 65**

BOARD OF STATE HARBOR COMMISSIONERS  
Ferry Building  
San Francisco  
California

December 13, 1939

David E. Scoll, Atty.,  
U. S. Maritime Commission  
Washington, D. C.

Dear Sir:

In accordance with your request of December 7th we sent you tariffs covering the charges assessed by this Board. We neglected to say at that time that the charges listed below which are assessed by the Islala Creek Grain Terminal Corporation, a tenant of this Board, are subject to the approval of this Board.

House Charges

Unloading, weighing and receiving ex cars to house or grader-----	.55
From Gondola cars additional -----	.25
Unloading, weighing and receiving ex truck to house or grader-----	.50
Unloading, weighing and receiving ex barge to house or grader-----	.35
Delivery to ship direct by barge - service charge -----	.25
Delivery FAS ship from cars, house, or craft or grader, incl. weighing--	.50
Handling rejections including weighing-----	.50
Unloading, weighing and receiving either sacked or bulk to cars or steamers in bulk direct-----	.80
Unloading, weighing and receiving bulk to cars or FAS steamer in sacks direct -----	1.20
Loading to cars, including weighing-----	.50

Carter Disc Charge

Handling screenings including weighing-----	.50
---	-----

All marking, sampling, sweeping, and reconditioning to be charged at actual labor and insurance costs and 10% Superintendence cost.

Saturday being declared as a holiday by the Warehousemen's Union, there will be a charge of 12½c per ton additional for delivery to ship on Saturdays between 8:00 A.M. and 5:00 P.M.

In accordance with your request of December 7th we sent you tariffs covering the charges assessed by this Board. We neglected to say at that time that the charges listed below which are assessed by the Islaia Creek Grain Terminal Corporation, a tenant of this Board, are subject to the approval of this Board.

House Charges

Unloading, weighing and receiving ex cars to house or grader-----	3	.55
From Gondola cars additional -----		.25
Unloading, weighing and receiving ex truck to house or grader-----		.50
Unloading, weighing and receiving ex barge to house or grader-----		.35
Delivery to ship direct by barge - service charge -----		.25
Delivery FAS ship from cars, house, or craft or grader, incl. weighing--		.50
Handling rejections including weighing-----		.50
Unloading, weighing and receiving either sacked or bulk to cars or steamers in bulk direct-----		.80
Unloading, weighing and receiving bulk to cars or FAS steamer in sacks direct -----		1.20
Loading to cars, including weighing-----		.50

Carter Disc Charge

Handling screenings including weighing----- .50

All marking, sampling, sweeping, and reconditioning to be charged at actual labor and insurance costs and 10% Superintendence cost.

Saturday being declared as a holiday by the Warehousemen's Union there will be a charge of 12.00 per ton additional for delivery to ship on Saturdays between 8:00 A.M. and 5:00 P.M.

Yours very truly,

(Sgd.) M. H. Gates  
Secretary

MHC:BF

Before the U. S. Maritime Commission

Docket No. 558

Exhibit No. 65

Witness Discharging

E. F. Fisher & Associates Inc.

Official Reporters

By Conklin

2381

As per our telephone conversation of today, the difference in labor charges from the enclosed tariff and the previous tariff effective July 1st, 1939 to June 30th 1940 was as follows:

Loading Reefer Cars was at the rate of 75¢ per ton. A flat charge of \$5.00 for building gates and materials, regardless of whether the car was in transit or not.

Tariff also contained a rate of \$5.00 for papering cars, and \$3.00 for straw used in gates. Old tariff called for a minimum charge of 75¢ for each port mark.

We could not locate a copy of the old tariff, but the above mentioned changes are the only differences between the old tariff and the new one on labor charges.

Yours truly,

State Refrigeration Terminal

By *Edward J. Irving*

ET/MK

2384

March 6th, 1942

Mr. Hunter, Traffic Mgr.,  
Board of State Harbor Commissioners,  
Ferry Bldg.,  
San Francisco, Calif.

As per our telephone conversation of today, the  
difference in labor charges from the enclosed tariff and  
the previous tariff effective July 1st, 1939 to June 30th  
1940 was as follows:

Loading Reefer Cars was at the rate of 75¢ per ton.  
A flat charge of \$5.00 for building gates and materials,  
regardless of whether the car was in transit or not.

Tariff also contained a rate of \$5.00 for papering  
cars, and \$3.00 for straw used in gates. Old tariff  
called for a minimum charge of 75¢ for each port mark.

We could not locate a copy of the old tariff, but  
the above mentioned changes are the only differences  
between the old tariff and the new one on labor charges.

¶ The State Refrigeration Terminal, located at shipside, in the State Products Terminal, China Basin, San Francisco, is operated for the purpose of handling export tonnage, in transit, as an aid to the commerce of the port of San Francisco, and the establishment of foreign markets for perishable farm products, and receipts will be given for such intransit cargo, to indicate when and from whom such cargo is received, and the quantity and character thereof.

15 **TERMINAL RECEIPTS:** Merchandise for which negotiable terminal receipt has been issued will not be released except upon surrender of said receipt. Merchandise for which non-negotiable terminal receipt has been issued will be delivered upon written orders without surrender of the receipt.

10 **LABOR CHARGES:** A charge of 3¢ per box will be made for sorting boxes of apples, pears, etc., for numbers after such boxes have been stacked. A charge of 1¢ per box will be made for sorting boxes of apples, pears, etc., for numbers, provided application for such service is made upon or before arrival of shipment at Terminal. A charge of 1¢ per package will be made for sorting fresh table fruit for size. A charge of 5¢ per crate will be made for sorting vegetables for size. A charge at the prevailing wage, plus the cost of necessary materials, will be made for repairing damaged packages. A charge of \$5.00 per car, plus the cost of necessary materials, will be made for loading cars. A charge at the prevailing wage, plus the cost of necessary materials, will be made for extra handling or other service provided upon request.

# RULES AND REGULATIONS

No 5	<p><b>RATES—HOW APPLIED:</b> The rates named in this tariff are per month, or fraction thereof, except as otherwise herein specifically provided.</p> <p>The rates named in this tariff do not cover freight, insurance, or any other special service, unless herein specifically provided, and are based on all cargo being delivered to the State Refrigeration Terminal free of all charges.</p>
10	<p><b>LABOR CHARGES:</b> A charge of 3¢ per box will be made for sorting boxes of apples, pears, etc., for numbers after such boxes have been stacked.</p> <p>A charge of 1¢ per box will be made for sorting boxes of apples, pears, etc., for numbers provided application for such service is made upon or before arrival of shipment at Terminal.</p> <p>A charge of 1¢ per package will be made for sorting fresh table fruit for size.</p> <p>A charge of .5¢ per crate will be made for sorting vegetables for size.</p> <p>A charge at the prevailing wage, plus the cost of necessary materials, will be made for repairing damaged packages.</p> <p>A charge of \$.50 per car, plus the cost of necessary materials, will be made for loading cars.</p> <p>A charge at the prevailing wage, plus the cost of necessary materials, will be made for extra handling or other service provided upon request.</p>
15	<p><b>TERMINAL RECEIPTS:</b> Merchandise for which negotiable terminal receipt has been issued will not be released except upon surrender of said receipt.</p> <p>Merchandise for which non-negotiable terminal receipt has been issued will be delivered upon written orders without surrender of the receipt.</p>

# RULES, REGULATIONS AND CHARGES

ISSUED BY

## BOARD OF STATE HARBOR COMMISSIONERS

ADDRESS ALL COMMUNICATIONS TO

BOARD OF STATE HARBOR COMMISSIONERS

FERRY BUILDING, SAN FRANCISCO, CALIFORNIA

MARK H. GATES, *Secretary*

P. W. MEHERIN, *President*

JOS. A. MOORE

DR. CELESTINE J. SULLIVAN

*Commissioners.*



No. 3

Effective June 1, 1935

# STATE REFRIGERATION TERMINAL

SAN FRANCISCO, CALIFORNIA

RULES, REGULATIONS AND CHARGES

ISSUED BY

BOARD OF STATE HARBOR COMMISSIONERS

ADDRESS ALL COMMUNICATIONS TO

BOARD OF STATE HARBOR COMMISSIONERS

FERRY BUILDING, SAN FRANCISCO, CALIFORNIA

MARK H. GATES, *Secretary*

P. W. MEHERIN, *President*  
JOS. A. MOORE  
DR. CELESTINE J. SULLIVAN  
*Commissioners*

See Note For changes  
contained in old Treaty

Effective July 1, 1940.

MARKING: (One Port Mark only).....	1c	per box
NUMBERING: (Consecutively).....	1c	" "
STRAP (1 wire).....	1½c	" "
STRAP: (2 wires).1.....	2½c	" "
STRAP: (1 wire - into bundles of two).....	1½c	" bundle
STRAP: / (2 wires " " " ".....	2½c	" "
REMOVE STRAP: (1 strap).....	1c	" box
REMOVE STRAPS: (2 straps).....	1½c	" "
SCRAPE OFF MARK: .....	1c	" "
SCRAPE OFF LABELS: ..... <sub>a</sub>	2c	" "
LABELING: .....	2c	" "
STAMPING: (Size, grade or variety).....	1c	" "
SORTING & MANIFESTING: (size only) before being stacked.....	1½c	" "
SORTING & MANIFESTING: (size only) after being stacked.....	4c	" "
SORTING VEGETABLES: (for size only).....	5c	" crate
REEFER CARS: (Loading only) PACKAGES UP TO 35# GROSS WGT.....	¾c	" box
" FROM " " TO 50#.....	1c	" "
" OVER 50#.....	.75	" ton
REBUILDING GATES & CAR STRIPS (using shipper's material)		3.50
Cars received in transit.		

STRAP: (1 wire - into bundles of two).....	1½c	"	bundle
STRAP: (2 wires " " " ".....)	2½c	"	"
REMOVE STRAP: (1 strap).....	1c	"	box
REMOVE STRAPS: (2 straps).....	1½c	"	"
SCRAPE OFF MARK: .....	1c	"	"
SCRAPE OFF LABELS: .....	2c	"	"
LABELING: .....	2c	"	"
STAMPING: (Size, grade or variety).....	1c	"	"
SORTING & MANIFESTING: (size only) before being stacked.....	1½c	"	"
SORTING & MANIFESTING: (size only) after being stacked.....	4c	"	"
SORTING VEGETABLES: (for size only).....	5c	"	crate
REEFER CARS: (Loading only) PACKAGES UP TO 35# GROSS WGT.....	1c	"	box
" FROM " " TO 50#.....	1c	"	"
" OVER 50#.....	75	"	ton
REBUILDING GATES & CAR STRIPS (using shipper's material)			3.50
Cars received in transit.			
CAR STRIPS: .....	1c	"	package
GATES & BRACING: .....	5.00	"	car

25	FRUIT, FRESH viz: GRAPES <u>PACKED IN EXCELSIOR</u>	First Month	Per Month thereafter
----	--	----------------	-------------------------

Crates: In Bundles of two -(Gross Weight 26# to 32#)

Lot under 500 Bundles -----	Per bundle	10	8
" 500 " or more-----	" "	8	6

Crates: Single Package - (Gross Weight 13# to 16#)

Lot under 1000 Packages-----	Per package	7	6
" 1000 " or more-----	" "	5	4

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25	Fruit, Fresh	First Month	Per Month Thereafter
----	--------------	-------------	-------------------------

SOUTH AFRICAN CHEST (not over 28# Gross,  
1.37 cu.ft. or less)

Lot under 500 packages	9	6	
Lot 500 packages or more	8	5	2386

Item No.	COMMODITY	RATE IN CENTS		
		Per	First Month	Per Month Thereafter
5	CANNED GOODS—N.O.S. In cases or cartons or in five gallon cans, loose	Gross Weight Per 100 Pounds	25 —	12½
10	FRUIT, CITRUS viz: ORANGES, LEMONS AND GRAPE FRUIT			
	Lot under 300 boxes	Per Box	15	10
	Lot 300 boxes or more	Per Box	12½	7½
15	FRUIT, DRIED (in boxes or bags)	Gross Weight		
	Lot under 10,000 lbs.	Per 100 Pounds	25	12½
	Lot 10,000 lbs. or more	Per 100 Pounds	20	10
20	FRUIT, FRESH viz: APPLES. Standard Western Boxes, packed and wrapped			
	Lot under 50 boxes	Per Box	11	7
	Lot 50 to 300 boxes	Per Box	10	6
	Lot 300 boxes or more	Per Box	9	5
25	FRUIT, FRESH viz: GRAPES. In sawdust, lug box, not over 40 lbs. gross weight			
	Lot under 500 boxes	Per Box	10	7½
	Lot 500 boxes or more	Per Box	7	5
	Standard export chest, keg or drum, approximately 50 lbs. gross weight			
	Lot under 500 packages	Per Package	15	10
	Lot 500 packages or more	Per Package	12	8
	Standard export chest, 1.8 cu. ft. or less			
	Lot under 500 packages	Per Package	12	8
	Lot 500 packages or more	Per Package	10	6
	In lugs or crates, without sawdust or other packing material			
	Lot under 500 packages	Per Package	7	6
	Lot 500 packages or more	Per Package	6	4

15	FRUIT, DRIED (in boxes or bags)	Gross Weight		
	Lot under 10,000 lbs.	Per 100 Pounds	25	12½
	Lot 10,000 lbs. or more	Per 100 Pounds	20	10
20	FRUIT, FRESH viz: APPLES. Standard Western Boxes, packed and wrapped			
	Lot under 50 boxes	Per Box	11	7
	Lot 50 to 300 boxes	Per Box	10	6
	Lot 300 boxes or more	Per Box	9	5
25	FRUIT, FRESH viz: GRAPES. In sawdust, lug box, not over 40 lbs. gross weight			
	Lot under 500 boxes	Per Box	10	7½
	Lot 500 boxes or more	Per Box	7	5
	Standard export chest, keg or drum, approximately 50 lbs. gross weight			
	Lot under 500 packages	Per Package	15	10
	Lot 500 packages or more	Per Package	12	8
	Standard export chest, 1.8 cu. ft. or less			
	Lot under 500 packages	Per Package	12	8
	Lot 500 packages or more	Per Package	10	6
	In lugs or crates, without sawdust or other packing material			
	Lot under 500 packages	Per Package	7	6
	Lot 500 packages or more	Per Package	6	4
	FRUIT, FRESH viz: PEACHES. Packed and wrapped packages approximately 25 lbs. gross weight			
	Lot under 500 packages	Per Package	7	5
35	Lot 500 packages or more	Per Package	6	4
	Other packages	Gross Weight		
		Per 100 Pounds	25	17½
	FRUIT, FRESH viz: PEARS. Standard Boxes, packed and wrapped			
	Lot under 50 boxes	Per Box	11	7
	Lot 50 to 300 boxes	Per Box	10	6
	Lot 300 boxes or more	Per Box	9	5
	One-half boxes			
	Lot under 300 boxes	Per Box	7	5
	Lot 300 boxes or more	Per Box	6	4

Item No.	COMMODITY	RATE IN CENTS		
		Per	First Month	Per Month Thereafter
40	FRUIT, FRESH viz: PERSIMMONS. Standard Peach Box			
	Lot under 500 boxes.....	Per Box	7	5
	Lot 500 boxes or more.....	Per Box	6	4
	Standard one layer box or lug			
	Lot under 500 boxes.....	Per Box	5	3
	Lot 500 boxes or more.....	Per Box	4	3
	Standard Persimmon Box (one-half orange)			
	Lot under 500 boxes.....	Per Box	8	7
45	FRUIT, FRESH viz: PLUMS. Packed and wrapped, packages approximately 25 lbs. gross weight			
	Lot under 500 packages.....	Per Package	7	5
	Lot 500 packages or more.....	Per Package	6	4
	Other packages.....	Gross Weight		
		Per 100 Pounds	25	17½
50	FRUIT, FRESH viz: POMEGRANATE. Lug Box			
	Lot under 500 boxes.....	Per Box	7	6
	Lot 500 boxes or more.....	Per Box	6	4
	Standard Boxes			
	Lot under 500 boxes.....	Per Box	8	7
	Lot 500 boxes or more.....	Per Box	7	6
55	FRUIT, FRESH viz: TABLE. Standard Box or Crate, approximately 25 lbs. gross weight			
	Lot under 500 boxes.....	Per Box	7½	5
	Lot 500 boxes or more.....	Per Box	6	
60	MERCHANDISE—FRUITS AND VEGETABLES— N.O.S. (weighing 25 lbs. or more per cu. ft.) In packages.....	Gross Weight Per 100 Pounds	40	
65	NUTS, IN SHELL In bags or boxes.....	Gross Weight Per 100 Pounds	25	12½
70	NUT MEAT—Packages			
	Lot under 20,000 lbs.....	Gross Weight Per 100 Pounds	50	25
	Lot 20,000 lbs. or more.....	Per 100 Pounds	35	15
75	SHIP STORES—Miscellaneous (in packages).....	Gross Weight Per 100 Pounds	50	50

45	FRUIT, FRESH viz: PLUMS. Packed and wrapped, packages approximately 25 lbs. gross weight Lot under 500 packages Lot 500 packages or more Other packages	Per Package Per Package Gross Weight Per 100 Pounds	7 6 25	5 4 17½
50	FRUIT, FRESH viz: POMEGRANATE. Lug Box Lot under 500 boxes Lot 500 boxes or more Standard Boxes Lot under 500 boxes Lot 500 boxes or more	Per Box Per Box Per Box Per Box	7 6 8 7	6 4 7 6
55	FRUIT, FRESH viz: TABLE. Standard Box or Crate, approximately 25 lbs. gross weight Lot under 500 boxes Lot 500 boxes or more	Per Box Per Box	7½ 6	5
60	MERCHANDISE—FRUITS AND VEGETABLES—N.O.S. (weighing 25 lbs. or more per cu. ft.) In packages	Gross Weight Per 100 Pounds	40	
65	NUTS, IN SHELL In bags or boxes	Gross Weight Per 100 Pounds	25	12½
70	NUT MEAT—Packages Lot under 20,000 lbs. Lot 20,000 lbs. or more	Gross Weight Per 100 Pounds Per 100 Pounds	50 35	25 15
75	SHIP STORES—Miscellaneous (in packages)	Gross Weight Per 100 Pounds	50	50
80	VEGETABLES—ASPARAGUS (in packages)	Gross Weight Per 100 Pounds	30	30
85	VEGETABLES—CARROTS, CABBAGE, CAULIFLOWER, TURNIPS AND SQUASH—Packages Lot under 20,000 pounds Lot 20,000 lbs. or more	Gross Weight Per 100 Pounds Per 100 Pounds	25 17½	15 10
90	VEGETABLES—CELERY	Per Crate	25	15
95	EGGS IN SHELL—In cases, 30 dozen each	Per Case	15	10
100	PRECOOLING—For shipments received at the State Refrigeration Terminal for precooling and remaining at said Terminal for ten days or less, a rate equal to 75% of the first month commodity rate named in this tariff will be charged, provided that application for such rate shall be made at the time of or before the arrival of the shipment at the Terminal.			

EXHIBIT No. 67

First Revised Page 1  
Cancels  
Original Page 1

C.R.O. No. 1

STATE TERMINAL CO. LTD.,  
SAN FRANCISCO.

TERMINAL TARIFF NO. 1

Naming

RATES, CHARGES, RULES and REGULATIONS

Applying at

PIERS, WHARVES and TERMINALS  
on THE SAN FRANCISCO WATER FRONT

TERMINAL TARIFF NO. 1

Naming

RATES, CHARGES, RULES and REGULATIONS

Applying at

PIERS, HARVES and TERMINALS

on THE SAN FRANCISCO WATER FRONT

ISSUED APRIL 21, 1938

EFFECTIVE MAY 23, 1938

Correction No. 245

Issued by:

H. B. Mills, President  
Channel at Third Street,  
San Francisco, California.

Fourth Revised Page 2

Cancels

STATE TERMINAL CO. LTD.

C.R.C. No. 1

Third Revised Page 2

Terminal Tariff No. 1

## CHECKING SHEET FOR TARIFF

This Tariff is issued in loose leaf form and all changes will be made by reprinting the entire page. Such reprinted pages will bear same page number as the original page and also show in upper left hand corner that it is a revised page and what page it cancels; for example - "1st revised page 15 cancels original page 15", or "2nd revised page 15 cancels 1st revised page 15", etc.

Upon the receipt of revised or new pages a check must be placed opposite the "Correction" Number (shown below) corresponding to number shown in lower left hand corner of new or changed page. If "Correction" numbers are properly checked as received, check marks will appear in consecutive order with no omissions; however, if check marks indicate that a "Correction" sheet has not been received, request should at once be made to the party issuing Tariff for a copy of same.

CORRECTION NO.	PAGE NO.	CORRECTION NO.	PAGE NO.
286		300	
287		301	
288		302	
289		303	
290		304	
291		305	
292		306	
293		307	
294		308	
295		309	
296		310	
297		311	
298		312	

Upon the receipt of revised or new pages a check must be placed opposite the "Correction" Number (shown below) corresponding to number shown in lower left hand corner of new or changed page. If "Correction" numbers are properly checked as received, check marks will appear in consecutive order with no omissions; however, if check marks indicate that a "Correction" sheet has not been received, request should at once be made to the party issuing Tariff for a copy of same.

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286		300	
287		301	
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291		305	
292		306	
293		307	
294		308	
295		309	
296		310	
297		311	
298		312	
299		313	

ISSUED October 18, 1940

EFFECTIVE November 20, 1940

Issued by  
H.C. CANTELOW, Agent,  
1 Drumm Street,  
San Francisco, California

Correction No. 287

First Revised Page 3  
Cancels  
Original Page 3

STATE TERMINAL CO., -LTD.  
TERMINAL TARIFF NO. 1

CRC No. 1

Item No.		
+ 5	Application of rates.	Rates, Charges, Rules and Regulations named herein will apply for operation at all Piers, Wharves and Terminals on the San Francisco Waterfront.
10	Rules, Regulations, Dockage, Tolls - Wharfage.	For classification of trades, rules and regulations governing vessels berthing at this Terminal, charges for dockage, tolls-wharfage refer to Board of State Harbor Commissioners of the State of California Tariff No. 2, supplements to and reissues thereof.
20	"Term "Ton"	<p>(a) Where rates are quoted per ton they will, unless otherwise specified, be computed on the basis of 2000 lbs. gross weight.</p> <p>(b) Where rates are shown in individual items per measurement ton, same will be per 40 cu. ft. and will be computed on outside measurement, which will be determined by using the extreme dimensions of all sides of the package.</p>
30	Charges, when payable	<p>The Board of State Harbor Commissioners requires every vessel to pay to the superintendent of the wharf, before such cargo is discharged or loaded the amounts due for dockage, tolls, wharf demurrage etc., on goods, wares and merchandise discharged from or to be loaded into such vessels.</p> <p>Charges for supervision, watchmen, sweeping wharf, etc. and checking cargo may be collected in advance at the option of this company.</p>
40	Charges How Enforced.	For the purpose of enforcing the charges against goods, upon which charges are delinquent and unpaid, this company may cause a notice of such delinquency to be posted on such goods, and if all charges thereon are not paid within two days thereafter, may remove and store the same in a public warehouse at the risk and expense of the owner or consignee thereof or may sell the same at public auction at its discretion.

+ Addition Neither increase nor reduction.

10	Rules, Regulations, Dockage, Tolls - Wharfage.	For classification of trades, rules and regulations governing vessels berthing at this Terminal, charges for dockage, tolls-wharfage refer to Board of State Harbor Commissioners of the State of California Tariff No. 2, supplements to and reissues thereof.
20	"Term "Ton"	(a) Where rates are quoted per ton they will, unless otherwise specified, be computed on the basis of 2000 lbs. gross weight.  (b) Where rates are shown in individual items per measurement ton, same will be per 40 cu. ft. and will be computed on outside measurement, which will be determined by using the extreme dimensions of all sides of the package.
30	Charges, when payable	The Board of State Harbor Commissioners requires every vessel to pay to the superintendent of the wharf, before such cargo is discharged or loaded the amounts due for dockage, tolls, wharf demurrage etc., on goods, wares and merchandise discharged from or to be loaded into such vessels.  Charges for supervision, watchmen, sweeping wharf, etc. and checking cargo may be collected in advance at the option of this company.
40	Charges How Enforced.	For the purpose of enforcing the charges against goods, upon which charges are delinquent and unpaid, this company may cause a notice of such delinquency to be posted on such goods, and if all charges thereon are not paid within two days thereafter, may remove and store the same in a public warehouse at the risk and expense of the owner or consignee thereof or may sell the same at public auction at its discretion.

+ Addition Neither increase nor reduction.

ISSUED APRIL 21, 1938

EFFECTIVE MAY 23, 1938

Correction No. 246

Issued by H. B. Mills, President,  
Channel and 3rd Streets,  
San Francisco, California

STATE TERMINAL CO., -LTD.  
Terminal Tariff No. 1

Item No.	Section 1 Rules and Regulations						
50	<p align="center"><b>CLAIMS FOR REFUNDS - TIME LIMIT</b></p> <p>Claims for refunds must be presented within 30 days from the month of billing in order to receive consideration by the Company.</p>						
<p>☆ Δ 60-A Cancels 60</p>	<p align="center"><b>① FREE TIME FOR ASSEMBLING CARGO</b></p> <p>(a) Exclusive of Sundays and legal Holidays, the free time allowed for assembling cargo shall be as follows:</p> <table border="0"> <tr> <td>(1) Coastwise and Inland Waterways -----</td> <td>5 days</td> </tr> <tr> <td>(2) Foreign, Offshore and Intercoastal -----</td> <td>10 days</td> </tr> </table> <p>(b) All cargo received is subject to demurrage rates and charges contained in Item Nos. 120 and 125 Series.</p>	(1) Coastwise and Inland Waterways -----	5 days	(2) Foreign, Offshore and Intercoastal -----	10 days		
(1) Coastwise and Inland Waterways -----	5 days						
(2) Foreign, Offshore and Intercoastal -----	10 days						
<p>☆ Δ 70-A Cancels 70</p>	<p align="center"><b>① FREE TIME FOR REMOVING DISCHARGED CARGO</b></p> <p>(a) The maximum free time for cargo discharged exclusive of Sundays and legal Holidays shall be:</p> <table border="0"> <tr> <td>(1) Coastwise and Inland Waterway -----</td> <td>5 days</td> </tr> <tr> <td>(2) Foreign, Offshore and Intercoastal -----</td> <td>7 days</td> </tr> <tr> <td>(3) Intransit -----</td> <td>10 days</td> </tr> </table> <p>On specific order of the Chief Warfinger of the Board of State Harbor Commissioners this company is empowered at any time to shorten the free time provided herein and to cause the removal of any cargo or portion thereof, at the expense of the owner or consignee, irrespective of the free time period.</p> <p>(b) Wharf Demurrage &amp; Transferred to Item 72 Series.</p>	(1) Coastwise and Inland Waterway -----	5 days	(2) Foreign, Offshore and Intercoastal -----	7 days	(3) Intransit -----	10 days
(1) Coastwise and Inland Waterway -----	5 days						
(2) Foreign, Offshore and Intercoastal -----	7 days						
(3) Intransit -----	10 days						
<p>☆ Δ 72</p>	<p align="center"><b>① WHARF DEMURRAGE</b></p> <p>Wharf Demurrage charge of 25¢ per ton, weight or measurement, whichever will yield the greater revenue for the first 5 days or part thereof, and 50¢ per ton for each succeeding 5 days or part thereof, will be assessed after the expiration of the free time period.</p>						
75	<p align="center"><b>HAZARDOUS COMMODITIES</b></p> <p>The terminal shall not be required to accept for transportation or hold on wharf, any commodity that will effect the rate of Insurance or contaminate other goods or otherwise endanger property.</p>						

☆ Δ 60-A Cancels 60	(a) Exclusive of Sundays and legal Holidays, the free time allowed for assembling cargo shall be as follows: (1) Coastwise and Inland Waterways ----- 5 days (2) Foreign, Offshore and Intercoastal ----- 10 days (b) All cargo received is subject to demurrage rates and charges contained in Item Nos. 120 and 121 Series.
☆ Δ 70-A Cancels 70	<p style="text-align: center;">① FREE TIME FOR REMOVING DISCHARGED CARGO</p> (a) The maximum free time for cargo discharged exclusive of Sundays and legal Holidays shall be: (1) Coastwise and Inland Waterway ----- 5 days (2) Foreign, Offshore and Intercoastal ----- 7 days (3) Intransit ----- 10 days On specific order of the Chief Wharfinger of the Board of State Harbor Commissioners this company is empowered at any time to shorten the free time provided herein and to cause the removal of any cargo or portion thereof, at the expense of the owner or consignee, irrespective of the free time period. (b) Wharf Demurrage & Transferred to Item 72 Series.
☆ Δ 72	<p style="text-align: center;">① WHARF DEMURRAGE</p> A Wharf Demurrage charge of 25¢ per ton, weight or measurement, whichever will yield the greater revenue for the first 5 days or part thereof, and 50¢ per ton for each succeeding 5 days or part thereof, will be assessed after the expiration of the free time period.
75	<p style="text-align: center;">HAZARDOUS COMMODITIES</p> The terminal shall not be required to accept for transportation or hold on wharf, any commodity that will effect the rate of Insurance or contaminate other goods or otherwise endanger property.
① Shown herein as a matter of information only, and are subject to such changes as may be made by the Board of State Harbor Commissioners.	
☆ Change / Neither Increase nor Reduction. Issued under order of the Railroad Commission of the State of California in Decision No. 29171 dated October 13, 1936	
ISSUED November 28, 1936	
EFFECTIVE December 5, 1936	
Correction No. 157	
Issued by L. V. Mattingly, Traffic Mgr., Channel at Third Sts., San Francisco, California.	

122-A  
Cancels  
122

Handling charges cover the ordinary labor and duties incident to receiving goods at place of rest in storage, stowing and delivery from storage, but do not include unloading or loading of cars, vehicles or vessels, unless so specified. Handling charges will be billed with the storage for the first period. (See Note).

NOTE: The term "STORAGE" as used herein refers to "BULKHEAD DEMURRAGE", as defined and governed by Board of State Harbor Commissioners, described and published for information purposes in Item 120 Series hereof.

#### HANDLING (Receiving and Delivery) CHARGES

Handling charges, as provided in this item will be assessed on cargo delivered by and/or received for specific vessel and subsequently ordered held at request of owner or carriers, and/or when declared for storage, and subject to Storage Charge: (See Note)

NOTE: Not applicable on cargo transhipped between ocean carriers.

Rates in cents per 2,000 lbs., unless otherwise indicated in individual item.

Rate  
# 50

Merchandise, N O S -----

⊗ # Will not apply to Woodpulp board, in rolls.

Beans, Canned Goods, Dried Fruit -- Cancelled (Reissue)

Cotton, in High Density Bales (including car unloading and carloading (See Note) when destined to a pier in San Francisco) -----per bale

25

NOTE: Carloading will be included in rate on "Block Lots" on which, when ordered out, the instructions will be for the identical lot as originally received: when shipments are ordered forwarded in lots other than originally received, viz: broken lots, an additional charge of 12-1/2 cents per bale will be assessed.

Lumber, Hardwood, per 1000 ft. Board measure ----- 100

★  
125-D  
Cancels  
125-C

130

Cancel Reissue

★ Change

⊗ Reduction

ISSUED March 19, 1940

EFFECTIVE April 20, 1940

Correction No. 267-

Issued by JOHN BYRNE, Agent  
311 California Street  
San Francisco, California

STATE TERMINAL CO., LTD.  
 Terminal Tariff No. 1

Item  
 No.

SECTION 1  
 RULES AND REGULATIONS

WHARVES, HOW CLEARED

★ Δ  
 80-2  
 Cancels  
 80

For the purpose of keeping the wharves, terminal and terminal thoroughfares free of obstruction, this company shall cause a written notice to be served on the owner, agent, consignee or person in possession of any such obstructing material or structure or may post a notice thereon at its discretion requiring its removal within 24 hours thereafter, and on failure to comply therewith, this company may remove and store in a public warehouse or sell the same by public auction at its discretion. From the proceeds of any such sale, this company shall retain all charges due this company with 10% added and also all the expenses attending such sale, the surplus, if any, shall be paid to the proper party. Δ Such sale shall be made subject to immediate removal.

DEFINITION OF STRAIGHT TIME AND OVERTIME

85-2  
 Cancels  
 85

(a) Straight time applies between hours of 8 A.M. and 5 P.M. except on holidays.  
 (b) Overtime applies before 8 A.M. and after 5 P.M. also for all hours on Sundays and Holidays. (See Note)

Holidays

New Year's  
 Lincoln's Birthday  
 Washington's Birthday  
 Memorial Day

Independence Day  
 Labor Day  
 Admission Day

Columbus Day  
 Justice Day  
 Thanksgiving  
 Christmas

Note: When any holiday falls on Sunday, the Monday following will be observed as the holiday.

★ Change    Δ Neither Increase nor Reduction

## WHARVES, HOW CLEARED

★ Δ  
80-Δ  
Cancels  
80

For the purpose of keeping the wharves, terminal and terminal thoroughfares free of obstruction, this company shall cause a written notice to be served on the owner, agent, consignee or person in possession of any such obstructing material or structure or may post a notice thereon at its discretion requiring its removal within 24 hours thereafter, and on failure to comply therewith, this company may remove and store in a public warehouse or sell the same by public auction at its discretion. From the proceeds of any such sale, this company shall retain all charges due this company with 10% added and also all the expenses attending such sale, the surplus, if any, shall be paid to the proper party. Δ Such sale shall be made subject to immediate removal.

## DEFINITION OF STRAIGHT TIME AND OVERTIME

85-Δ  
Cancels  
85

(a) Straight time applies between hours of 8 A.M. and 5 P.M. except on holidays.  
(b) Overtime applies before 8 A.M. and after 5 P.M. also for all hours on Sundays and Holidays. (See Note)

Holidays

New Year's  
Lincoln's Birthday  
Washington's Birthday  
Memorial Day

Independence Day  
Labor Day  
Admission Day

Columbus Day  
Armistice Day  
Thanksgiving  
Christmas

Note: When any holiday falls on Sunday, the Monday following will be observed as the holiday.

★ Change    Δ Neither Increase nor Reduction

ISSUED November 28, 1936

EFFECTIVE December 31, 1936

Issued by L. V. Mattingly, Traffic Mgr.,  
Channel at Third Sts.,  
San Francisco, California.

Correction No. 158

## HANDLING (Receiving and Delivery) CHARGE DEFINITION

122-A Handling charges cover the ordinary labor and duties incident to  
 Cancels receiving goods at place of rest in storage, stowing and delivery from  
 122 storage, but do not include unloading or loading of cars, vehicles or  
 vessels, unless so specified. Handling charges will be billed with  
 the storage for the first period. (See Note)..

NOTE: The term "STORAGE" as used herein refers to "BULKHEAD  
 DEMURRAGE", as defined and governed by Board of State harbor Commission-  
 ers, described and published for information purposes in Item 120 Series  
 hereof.

## HANDLING (Receiving and Delivery) CHARGES

Handling charges, as provided in this item will be assessed on cargo  
 delivered by and/or received for specific vessel and subsequently ordered  
 held at request of owner or carriers, and/or when declared for storage,  
 and subject to Storage Charge: (See Note)

NOTE: Not applicable on cargo transhipped between ocean carriers.

Rates in cents per 2,000 lbs., unless otherwise  
 indicated in individual item.

* 125-C Cancels 125-B		Rate
	Merchandise, N.O.S. -----	50
	Beans ) Canned Goods ) Merchandise, N.O.S. Applies -----Cancelled Dried Fruit )	
	Cotton, in High Density Bales (including car unloading and carloading (See Note) when destined to a pier in San Francisco) ----- Per Bale	25
	NOTE: Carloading will be included in rate on "Block Lots" on which, when ordered out, the instructions will be for the identical lot as originally received: when shipments are ordered forwarded in lots other than originally received, viz: broken lots, an additional charge of 12½ cents per bale will be assessed.	
	Lumber, Hardwood, per 1000 ft. Board Measure	100
130	Cancel Reissue	

\* Change. Reduction

ISSUED JANUARY 26, 1938

EFFECTIVE FEBRUARY 26, 1938

Issued by H. B. Mills, President  
 Channel at Third Streets,  
 San Francisco, California

Correction No. 242

Item  
No.

## SECTION 1

## CLASSIFICATION OF TRADES

(\*)  
(C)(N)  
88CLASSIFICATION OF TRADES:

Vessels, the trades in which they engage, and the cargo which they handle, are hereby classified as shown below, according to the ports or points between which the vessel operates, for the purpose of applying the provisions of this tariff, except as otherwise provided in Board of State Harbor Commissioners for the Port of San Francisco, Cal. Tariff No. 2, supplements thereto or successive issues thereof: (See Item No. 10 Series of this tariff)

(a) **COASTWISE:** Service along the Pacific Coast of the United States between the Mexican and Canadian borders, including such service when via British Columbia ports.

(b) **INLAND WATERWAY:** Service between San Francisco, Cal., and ports or points located on San Francisco Bay and inland waterways tributary thereto, but not via the Pacific Ocean.

(c) **INTERCOASTAL:** Service between San Francisco Bay ports and ports in the United States on the Gulf of Mexico or Atlantic Ocean.

(d) **HAWAIIAN:** Service between San Francisco Bay ports and ports in the Hawaiian Islands.

(e) **ALASKAN:** Service between San Francisco Bay ports and ports in Alaska.

(f) **TRANSPACIFIC:** Service between San Francisco Bay ports and points west of the 170th Meridian of West Longitude.

(g) **FOREIGN:** Service other than heretofore described.

(h) **OFFSHORE:** Where this term is used it means other than "Coastwise" and "Inland Waterway".

(a) COASTWISE: Service along the Pacific Coast of the United States between the Mexican and Canadian borders, including such service when via British Columbia ports.

(b) INLAND WATERWAY: Service between San Francisco, Cal., and ports or points located on San Francisco Bay and inland waterways tributary thereto, but not via the Pacific Ocean.

(c) INTERCOASTAL: Service between San Francisco Bay ports and ports in the United States on the Gulf of Mexico or Atlantic Ocean.

(d) HAWAIIAN: Service between San Francisco Bay ports and ports in the Hawaiian Islands.

(e) ALASKAN: Service between San Francisco Bay ports and ports in Alaska.

(f) TRANSPACIFIC: Service between San Francisco Bay ports and points west of the 170th Meridian of West Longitude.

(g) FOREIGN: Service other than heretofore described.

(h) OFFSHORE: Where this term is used it means other than "Coastwise" and "Inland Waterway".

---

(C)-Change.

(N)-No increase or reduction.

(\*)-Addition.

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ISSUED SEPTEMBER 26, 1935

EFFECTIVE NOVEMBER 1, 1935

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Correction No. 73

Issued by  
A. V. MATTINGLY, Traffic Manager  
3rd and Channel Sts., San Francisco

2394

TERMINAL TARIFF NO. 1

Naming

RATES, CHARGES, RULES AND REGULATIONS

Applying at

San Francisco, California

◇ ITEM NO. 1.

(a) All rates stated in cents per 2,000 pounds or in cents per other designated unit, including minimum rates and minimum charges, named in Section 4 of this tariff, for loading and unloading of cars and trucks are increased six and one-half per cent (6½%), subject to paragraph (b) hereof.

(b) In applying the percentage provided in paragraph (a) hereof extensions will be carried to the tenth of a cent only and fractions of less than five-tenths of a cent (0.5¢) shall be dropped; fractions of five-tenths of a cent (0.5¢) or greater shall be increased to the next whole cent.

The form of this supplement is permitted by authority of the Railroad Commission of the State of California Permission TC No. 299 of April 8, 1941.

◇ - Increase. Issued under authority of the Railroad Commission of the State of California, No. 63-16507 of April 8, 1941.

ISSUED April 8, 1941

EFFECTIVE May 10, 1941

Issued by

H. C. CANTELOW, Agent  
1 Drumm Street  
San Francisco, California

Third Revised Page 10  
Cancels  
Second Revised Page 10

STATE TERMINAL CO., LTD.  
Terminal Tariff No. 1

C.R.C. NO. 1

Item  
No.

SECTION 3  
CHARGES APPLYING TO CARGO

115-B  
Can-  
cels  
115-A

① DEMURRAGE, DEFINITION OF

The charge assessed against merchandise which remains on the Terminal beyond the free period. (See Item 70 Series)

① DEMURRAGE

The following rates will apply to all merchandise held in transit when destined beyond the confines of San Francisco Bay.

(a) Rates are on a tonnage basis of 2000 lbs. weight or 40 cu. ft. measurement, whichever will yield the greater revenue except Canned Goods, Dried Fruits, Beans, Rice, and kindred products, which will be on a basis of 2000 lbs. weight. (See Item 125 Series)

120-C  
Can-  
cels  
120-B

	Per Ton
(b) Toll (10 days free time) -----	◇ \$ .25
(c) Bulkhead demurrage, first 20 days following free time -----	.15
Bulkhead demurrage, next 30 days or fraction thereof -----	.25
Bulkhead demurrage, next 30 days or fraction thereof -----	.30
Bulkhead demurrage, each succeeding 30 days or fraction thereof -----	.30

① Shown herein as a matter of information only, and are subject to such changes as may be made by the Board of State Harbor Commissioners.

◇ Increase. Effective December 1, 1939. Issued under order of the Railroad Commission of the State of California No. 63-15679 and 15-23758 of November 28, 1939.

# ① DEMURRAGE

The following rates will apply to all merchandise held in transit when destined beyond the confines of San Francisco Bay.

(a) Rates are on a tonnage basis of 2000 lbs. weight or 40 cu. ft. measurement, whichever will yield the greater revenue except Canned Goods, Dried Fruits, Beans, Rice and kindred products, which will be on a basis of 2000 lbs. weight. (See Item 125 Series)

120-C  
Can-  
cels  
120-B

	Per Ton
(b) Toll (10 days free time) -----	◇ \$ .25
(c) Bulkhead demurrage, first 20 days following free time -----	.15
Bulkhead demurrage, next 30 days or fraction thereof -----	.25
Bulkhead demurrage, next 30 days or fraction thereof -----	.30
Bulkhead demurrage, each succeeding 30 days or fraction thereof -----	.30

① Shown herein as a matter of information only, and are subject to such changes as may be made by the Board of State Harbor Commissioners.

◇ Increase. Effective December 1, 1939. Issued under order of the Railroad Commission of the State of California No. 63-15679 and 15-23758 of November 28, 1939.

ISSUED November 28, 1939

EFFECTIVE December 30, 1939  
(Except as noted in individual items)

Correction No. 265

Issued by JOHN BYRNE, Agent,  
311 California Street,  
San Francisco, Calif.

Sixth Revised Page 11  
Cancels  
Fifth Revised Page 11

STATE TERMINAL CO., LTD.  
Terminal Tariff No. 1

G.R.C. NO. 1

SECTION 3 CHARGES APPLYING TO CARGO (Cont'd)

Item No.															
120-A Cont'd	(D) (E) (F) (G) Cancel. Reissue														
122-A Cancels 122	<p><b>HANDLING (Receiving and Delivery) CHARGE DEFINITION</b></p> <p>Handling charges cover the ordinary labor and duties incident to receiving goods at place of rest in storage, stowing and delivery from storage, but do not include unloading or loading of cars, vehicles or vessels, unless so specified. Handling charges will be billed with the storage for the first period. (See Note).</p> <p>NOTE: The term "STORAGE" as used herein refers to "BULKHEAD DEMURRAGE", as defined and governed by Board of State Harbor Commissioners, described and published for information purposes in Item 120 Series hereof.</p>														
★ 125-D Cancels 125-C	<p><b>HANDLING (Receiving and Delivery) CHARGES</b></p> <p>Handling charges, as provided in this item will be assessed on cargo delivered by and/or received for specific vessel and subsequently ordered held at request of owner or carriers, and/or when declared for storage, and subject to Storage Charge: (See Note)</p> <p>NOTE: Not applicable on cargo transhipped between ocean carriers.</p> <p>Rates in cents per 2,000 lbs., unless otherwise indicated in individual item.</p> <table><thead><tr><th></th><th>Rate</th></tr></thead><tbody><tr><td>Merchandise, N O S -----</td><td># 50</td></tr><tr><td>3 # Will not apply to Woodpulp board, in rolls.</td><td></td></tr><tr><td>Beans, Canned Goods, Dried Fruit -- Cancelled (Reissue)</td><td></td></tr><tr><td>Cotton, in High Density Bales (including car unloading and carloading (See Note) when destined to a pier in San Francisco) -----per bale</td><td>25</td></tr><tr><td colspan="2">NOTE: Carloading will be included in rate on "Block Lots" on which, when ordered out, the instructions will be for the identical lot as originally received: when shipments are ordered forwarded in lots other than originally received, viz: broken lots, an additional charge of 12-1/2 cents per bale will be assessed.</td></tr><tr><td>Lumber, Hardwood, per 1000 ft. Board measure -----</td><td>100</td></tr></tbody></table>		Rate	Merchandise, N O S -----	# 50	3 # Will not apply to Woodpulp board, in rolls.		Beans, Canned Goods, Dried Fruit -- Cancelled (Reissue)		Cotton, in High Density Bales (including car unloading and carloading (See Note) when destined to a pier in San Francisco) -----per bale	25	NOTE: Carloading will be included in rate on "Block Lots" on which, when ordered out, the instructions will be for the identical lot as originally received: when shipments are ordered forwarded in lots other than originally received, viz: broken lots, an additional charge of 12-1/2 cents per bale will be assessed.		Lumber, Hardwood, per 1000 ft. Board measure -----	100
	Rate														
Merchandise, N O S -----	# 50														
3 # Will not apply to Woodpulp board, in rolls.															
Beans, Canned Goods, Dried Fruit -- Cancelled (Reissue)															
Cotton, in High Density Bales (including car unloading and carloading (See Note) when destined to a pier in San Francisco) -----per bale	25														
NOTE: Carloading will be included in rate on "Block Lots" on which, when ordered out, the instructions will be for the identical lot as originally received: when shipments are ordered forwarded in lots other than originally received, viz: broken lots, an additional charge of 12-1/2 cents per bale will be assessed.															
Lumber, Hardwood, per 1000 ft. Board measure -----	100														

SECTION 3  
CHARGES APPLYING TO CARGO (Cont'd)

Item  
No.

Demurrage  
(Continued from First Revised Page 10)

120-A  
C c'd

(D) (E) (F) (G) Cancel. Reissue

HANDLING (Receiving and Delivery) CHARGE DEFINITION

122-A  
Cancels  
122

Handling charges cover the ordinary labor and duties incident to receiving goods at place of rest in storage, stowing and delivery from storage, but do not include unloading or loading of cars, vehicles or vessels, unless so specified. Handling charges will be billed with the storage for the first period. (See Note).

NOTE: The term "STORAGE" as used herein refers to "BULKHEAD DEMURRAGE", as defined and governed by Board of State harbor Commissioners, described and published for information purposes in Item 120 Series hereof.

HANDLING (Receiving and Delivery) CHARGES

Handling charges, as provided in this item will be assessed on cargo delivered by and/or received for specific vessel and subsequently ordered held at request of owner or carriers, and/or when declared for storage, and subject to Storage Charge: (See Note)

NOTE: Not applicable on cargo transhipped between ocean carriers.

Rates in cents per 2,000 lbs., unless otherwise indicated in individual item.

Rate

\*  
125-C  
Cancels  
125-B

Merchandise, N.O.S. -----

50

Beans )

Canned Goods) Merchandise, N.O.S. Applies -----Cancelled  
Dried Fruit )

Cotton, in High Density Bales (including car unloading  
and carloading (See Note) when destined to a pier  
in San Francisco) ----- Per Bale

25

Supplement No. 1

to

TERMINAL TARIFF NO. 1

Naming

RATES, CHARGES, RULES AND REGULATIONS

Applying at

San Francisco, California

◇ ITEM NO. 1.

(a) All rates stated in cents per 2,000 pounds or in cents per other designated unit, including minimum rates and minimum charges, named in Section 4 of this tariff, for loading and unloading of cars and trucks are increased six and one-half per cent (6½%), subject to paragraph (b) hereof.

(b) In applying the percentage provided in paragraph (a) hereof extensions will be carried to the tenth of a cent only and fractions of less than five-tenths of a cent (0.5¢) shall be dropped; fractions of five-tenths of a cent (0.5¢) or greater shall be increased to the next whole cent.

The form of this supplement is permitted by authority of the Railroad Commission of the State of California Permission TC No. 299 of April 8, 1941.

Second Revised Page 31

Cancels

First Revised Page 31

C.R.C. NO. 1

STATE TERMINAL CO., LTD.  
Terminal Tariff No. 1

Item NO.	SECTION 7 ABSORPTIONS/EXCEPTIONS
1210-A Cancels 1210	Handling charges will not be assessed by this Company when merchandise received is to be held at bulkhead demurrage rates and is consigned to a specific vessel or vessels when said vessel or vessels are scheduled to, and sail from this terminal within thirty days from date of arrival of merchandise provided the car unloading revenue to this company for unloading said merchandise amounts to not less than \$8.00 per car.
1215-A Cancels 1215	Cancel. Reissue
1220-A Cancels 1220	Cancel. Reissue
☆ 1225-B Cancels 1225-A	◇ Cancel. No provision in effect.
1230-A Cancels 1230	Cancel. Reissue
1235-A Cancels 1235	Cancel. Reissue

\* Change ◇ Increase; Issued under authority of the Railroad Commission of the State of California, No. 63-13315 of February 19, 1937.



No Supplements to this  
Tariff will be issued  
except for the purpose  
of cancelling the Tariff.

GOLDEN GATE TERMINALS

TERMINAL TARIFF NO. 1

NAMING

RATES, CHARGES, RULES and REGULATIONS

GOVERNING TERMINAL OPERATIONS

at

SAN FRANCISCO, CALIFORNIA

GOLDEN GATE TERMINALS

TERMINAL TARIFF NO. 1

NAMING

RATES, CHARGES, RULES and REGULATIONS

GOVERNING TERMINAL OPERATIONS

at

SAN FRANCISCO, CALIFORNIA

ISSUED JULY 27, 1936

EFFECTIVE AUGUST 3, 1936

Issued by R. M. Grose, Agent,  
112 Market Street,  
San Francisco, California.

RULE  
NO.SECTION 1  
RULES AND REGULATIONS10-A  
Cancels  
10

## RESPONSIBILITY OF TERMINAL

(a) All merchandise received is held at owner's risk. Rates named herein do not include fire or other insurance.

(b) This company is not responsible for loss or damage caused by fires (from any cause), climatic or weather conditions, riots, strikes, insurrections or from inherent or perishable qualities of the merchandise or from other causes beyond its control, nor for loss or damage caused by leakage, pilferage, theft, vermin, or water unless such loss or damage be caused by failure of the Terminal to exercise ordinary care and diligence.

Δ (c) NON-LIABILITY OF THIS TERMINAL FOR SHIPPER'S FAILURE TO  
RESERVE SPACE OR CARRIER'S FAILURE TO LOAD GOODS.

In no event shall this terminal be liable for loss, damage or delay arising from the failure of the shipper to arrange for space on the transporting vessel, or from the failure of any carrier to load and transport goods on the particular date or vessel nominated by the shipper or owner of such goods. In the event of any such failure, such goods shall be held subject to all of the applicable charges and provisions of this tariff.

On specific order of the Board of State Harbor Commissioners this company reserves the right to terminate intransit demurrage privilege and to cause removal thereof of any or all merchandise at the expense of owner.

20

## RULES, REGULATIONS, DOCKAGE, TOLLS - WHARFAGE.

For classification of trades, rules and regulations governing vessels berthing at this Terminal, charges for dockage, tolls-wharfage refer to Board of State Harbor Commissioners of the State of California Tariff No. 2, supplements to and reissues thereof.

30

## TERM "TON"

(a) Where rates are quoted per ton they will, unless otherwise specified, be computed on the basis of 2000 lbs. gross weight.

(b) Where rates are shown in individual items per measurement ton, same will be per 40 cu. ft. and will be computed on outside measurement, which will be determined by using the extreme dimensions of all sides of the package.

	<p>In no event shall this terminal be liable for loss, damage or delay arising from the failure of the shipper to arrange for space on the transporting vessel, or from the failure of any carrier to load and transport goods on the particular date or vessel nominated by the shipper or owner of such goods. In the event of any such failure, such goods shall be held subject to all of the applicable charges and provisions of this tariff.</p> <p>On specific order of the Board of State Harbor Commissioners this company reserves the right to terminate intransit demurrage privilege and to cause removal thereof of any or all merchandise at the expense of owner.</p>
20	<p><b>RULES, REGULATIONS, DOCKAGE, TOLLS - WHARFAGE.</b></p> <p>For classification of trades, rules and regulations governing vessels berthing at this Terminal, charges for dockage, tolls-wharfage refer to Board of State Harbor Commissioners of the State of California Tariff No. 2, supplements to and reissues thereof.</p>
30	<p><b>TERM "TON"</b></p> <p>(a) Where rates are quoted per ton they will, unless otherwise specified, be computed on the basis of 2000 lbs. gross weight.</p> <p>(b) Where rates are shown in individual items per measurement ton, same will be per 40 cu. ft. and will be computed on outside measurement, which will be determined by using the extreme dimensions of all sides of the package.</p>
40	<p><b>CHARGES, WHEN PAYABLE:</b></p> <p>The Board of State Harbor Commissioners requires every vessel to pay to the superintendent of the wharf, before such cargo is discharged or loaded the amounts due for dockage, tolls, wharf demurrage etc., on goods, wares and merchandise discharged from or to be loaded into such vessels.</p> <p>Charges for supervision, watchmen, sweeping wharf etc. and checking cargo may be collected in advance at the option of this company.</p>
<p><b>Δ Neither increase or reduction.</b></p>	
<p><b>ISSUED SEPTEMBER 19, 1939</b> <span style="float: right;"><b>EFFECTIVE OCTOBER 21, 1939</b></span></p>	
<p style="text-align: center;">Issued by JOHN BYRNE, Agent, 311 California Street San Francisco, California.</p> <p>Correction No. 20</p>	

GOLDEN GATE TERMINALS  
Terminal Tariff No. 1Rule  
No.SECTION 1  
RULES AND REGULATIONS

## CHARGES - HOW ENFORCED.

50

For the purpose of enforcing the charges against goods, upon which charges are delinquent and unpaid, this company may cause a notice of such delinquency to be posted on such goods, and if all charges thereon are not paid within two days thereafter, may remove and store the same in a public warehouse at the risk and expense of the owner or consignee thereof or may sell the same at public auction at its discretion.

## CLAIMS FOR REFUNDS - TIME LIMIT.

60

Claims for refunds must be presented within 30 days from the month of billing in order to receive consideration by the company.

## RULES, TIME FOR ASSEMBLING CARGO.

70

(A) Exclusive of Sundays and legal Holidays, the free time allowed for intransit cargo to Foreign, Offshore and Intercoastal Trade, shall be 10 days.

(B) All cargo received is subject to demurrage rates and charges contained in Paragraphs A and C, Item Nos 50, 70 and 80.

## FREE TIME FOR REMOVING DISCHARGED CARGO.

80

(A) The maximum free time for cargo discharged for local delivery shall be 5 days; Foreign and Offshore 7 days; exclusive of Sundays and Holidays. On specific order of the Chief Wharfinger of the Board of State Harbor Commissioners this company is empowered at any time to shorten the free time provided herein and to cause the removal of any cargo or portion thereof, at the expense of the owner or consignee, irrespective of the free period.

(B) A wharf demurrage charge of 25¢ per ton, weight or measurement, whichever will yield the greater revenue for the first 5 days or part thereof, and 50¢ per ton for each succeeding 5 days or part thereof, will be assessed after the expiration of the free time period.

## COMMODITIES WHICH ARE HAZARDOUS OR WHICH MAY CONTAMINATE OTHER GOODS.

90

The terminal shall not be required to accept for transportation or hold on wharf, any commodity that will effect the rate of insurance or contaminate other goods or otherwise endanger property.

CLAIMS FOR REFUNDS - TIME LIMIT.

60

Claims for refunds must be presented within 30 days from the month of billing in order to receive consideration by the company.

RULES, TIME FOR ASSEMBLING CARGO.

70

(A) Exclusive of Sundays and legal Holidays, the free time allowed for intransit cargo to Foreign, Offshore and Intercoastal Trade, shall be 10 days.

(B) All cargo received is subject to demurrage rates and charges contained in Paragraphs A. and C, Item Nos 50, 70 and 80.

FREE TIME FOR REMOVING DISCHARGED CARGO.

80

(A) The maximum free time for cargo discharged for local delivery shall be 5 days; Foreign and Offshore 7 days; exclusive of Sundays and Holidays. On specific order of the Chief Wharfinger of the Board of State Harbor Commissioners this company is empowered at any time to shorten the free time provided herein and to cause the removal of any cargo or portion thereof, at the expense of the owner or consignee, irrespective of the free period.

(B) A wharf demurrage charge of 25¢ per ton, weight or measurement, whichever will yield the greater revenue for the first 5 days or part thereof, and 50¢ per ton for each succeeding 5 days or part thereof, will be assessed after the expiration of the free time period.

COMMODITIES WHICH ARE HAZARDOUS OR WHICH MAY CONTAMINATE OTHER GOODS.

90

The terminal shall not be required to accept for transportation or hold on wharf, any commodity that will effect the rate of insurance or contaminate other goods or otherwise endanger property.

ISSUED JULY 27, 1936

EFFECTIVE AUGUST 3, 1936

Issued by R. M. Grose, Agent,  
112 Market Street  
San Francisco, California.

**GOLDEN GATE TERMINALS**  
Terminal Tariff No. 1

**Rule  
No.**

**SECTION 1**  
**RULES AND REGULATIONS**

**WHARVES, HOW CLEARED**

100

For the purpose of keeping the wharves, terminal and terminal thoroughfares free of obstruction, this company shall cause a written notice to be served on the owner, agent, consignee or person in possession of any such obstructing material or structure or may post a notice thereon at its discretion requiring its removal within 24 hours thereafter, and on failure to comply therewith, this company may remove and store in a public warehouse or sell the same by public auction at its discretion. From the proceeds of any such sale, this company shall retain all charges due this company with 10% added and also all the expenses attending such sale, the surplus, if any, shall be paid to the proper party.

**DEFINITION OF STRAIGHT TIME AND OVERTIME**

110

- (a) Straight time applies between hours of 8 a.m. and 5 p. m. except on holidays.  
(b) Overtime applies before 8 a.m. and after 5 p.m. also for all hours on Sundays and holidays. (See Note)

**Holidays**

New Year's

Lincoln's Birthday

Washington's Birthday

Memorial Day

Independence Day

Labor Day

Admission Day

Columbus Day

Armistice Day

Thanksgiving

Christmas

Note - When any holiday falls on Sunday, the Monday following will be observed as the holiday.

#### DEFINITION OF STRAIGHT TIME AND OVERTIME

(a) Straight time applies between hours of 8 a.m. and 5 p. m. except on holidays.

(b) Overtime applies before 8 a.m. and after 5 p.m. also for all hours on Sundays and holidays. (See Note)

#### 110 Holidays

New Year's

Lincoln's Birthday

Washington's Birthday

Memorial Day

Independence Day

Labor Day

Admission Day

Columbus Day

Armistice Day

Thanksgiving

Christmas

Note - When any holiday falls on Sunday, the Monday following will be observed as the holiday.

ISSUED JULY 27, 1936

EFFECTIVE AUGUST 3, 1936

Issued by R. M. Grose, Agent.

112 Market Street

San Francisco, California.

GOLDEN GATE TERMINALS  
Terminal Tariff No. 1Rule  
No.SECTION 1  
RULES AND REGULATIONS

## CLASSIFICATION OF TRADES

Vessels, the trades in which they engage, and the cargo which they handle, are hereby classified as shown below, according to the ports or points between which the vessel operates, for the purpose of applying the provisions of this tariff, except as otherwise provided in Board of State Harbor Commissioners for the Port of San Francisco, Cal. Tariff No. 2, supplements thereto or successive issues thereof: (See Item No. 120 Series of this tariff)

(a) COASTWISE: Service along the Pacific Coast of the United States between the Mexican and Canadian borders, including such service when via British Columbia ports.

(b) INLAND WATERWAY: Service between San Francisco, Cal., and ports or points located on San Francisco Bay and inland waterways tributary thereto, but not via the Pacific Ocean.

(c) INTERCOASTAL: Service between San Francisco Bay ports and ports in the United States on the Gulf of Mexico or Atlantic Ocean.

(d) HAWAIIAN: Service between San Francisco Bay ports and ports in the Hawaiian Islands.

(e) ALASKAN: Service between San Francisco Bay ports and ports in Alaska.

(f) TRANSPACIFIC: Service between San Francisco Bay ports and points west of the 170th Meridian of West Longitude.

(g) FOREIGN: Service other than heretofore described.

(h) OFFSHORE: Where this term is used it means other than "Coastwise" and "Inland Waterway".

(a) COASTWISE: Service along the Pacific Coast of the United States between the Mexican and Canadian borders, including such service when via British Columbia ports.

120 (b) INLAND WATERWAY: Service between San Francisco, Cal., and ports or points located on San Francisco Bay and inland waterways tributary thereto, but not via the Pacific Ocean.

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(f) TRANSPACIFIC: Service between San Francisco Bay ports and points west of the 170th Meridian of West Longitude.

(g) FOREIGN: Service other than heretofore described.

(h) OFFSHORE: Where this term is used it means other than "Coastwise" and "Inland Waterway".

ISSUED JULY 27, 1936

EFFECTIVE AUGUST 3, 1936

Issued by R. M. Grose, Agent,  
112 Market Street  
San Francisco, California.

C.R.C. No. 1

GOLDEN GATE TERMINALS  
Terminal Tariff No. 1First Revised Page 10  
Cancels  
Original .... Page 10

Item No.	SECTION 1 CHARGES APPLYING TO CARGO
30-A Cancels 30 0	RATES OF TOLL ON SHIPMENTS FROM OR TO CARS ON PIERS.
	Merchandise discharged from cars, while spotted on piers, or merchandise landed on piers from cars, to be removed from piers by teams or trucks, must pay the following State toll: Merchandise landed on piers or to cars by trucks or teams to be removed by cars must pay following State toll:
	Merchandise ex cars, providing same is removed within 5 days ----- \$0.15 per ton
	If not removed within 5 days ----- .25 per ton
	Merchandise ex trucks, providing same is loaded in cars within 5 days ----- .15 per ton
	If not loaded within 5 days ----- .25 per ton
40	DEMURRAGE, DEFINITION OF
	The charge assessed against merchandise which remains on the Terminal beyond the free period. (See Item 50)
50-A Cancels 50	DEMURRAGE
	(a) TOLL (10 days free time) ----- 0 \$0.25
	(b) Bulkhead demurrage, first 20 days following free time -- .15
	Bulkhead demurrage, next 30 days or fraction thereof -- .25
	Bulkhead demurrage, next 30 days or fraction thereof -- .30
Demurrage rates beyond the above periods shall be 30¢ per ton for each 30 days or fraction thereof.	
NOTE: The above charges are assessed and collected by the Board of State Harbor Commissioners.	

◊ Increase. Effective December 1, 1939. Issued under Authority of the Railroad Commission of the State of California No. 63-15679 and 15-23758 of November 28, 1939.

	Merchandise ex cars, providing same is removed within 5 days ----- \$0.15 per ton If not removed within 5 days ----- .25 per ton Merchandise ex trucks, providing same is loaded in cars within 5 days ----- .15 per ton If not loaded within 5 days ----- .25 per ton										
40	<b>DEMURRAGE, DEFINITION OF</b> The charge assessed against merchandise which remains on the Terminal beyond the free period. (See Item 50)										
50-A Cancels 50	<b>DEMURRAGE</b> <table> <tr> <th></th><th>PER TON</th></tr> <tr> <td>(a) TOLL (10 days free time) -----</td><td>◇ \$0.25</td></tr> <tr> <td>(b) Bulkhead demurrage, first 20 days following free time -</td><td>.15</td></tr> <tr> <td>Bulkhead demurrage, next 30 days or fraction thereof --</td><td>.25</td></tr> <tr> <td>Bulkhead demurrage, next 30 days or fraction thereof --</td><td>.30</td></tr> </table> <p>Demurrage rates beyond the above periods shall be 30¢  per ton for each 30 days or fraction thereof.</p> <p>NOTE: The above charges are assessed and collected by the  Board of State Harbor Commissioners.</p>		PER TON	(a) TOLL (10 days free time) -----	◇ \$0.25	(b) Bulkhead demurrage, first 20 days following free time -	.15	Bulkhead demurrage, next 30 days or fraction thereof --	.25	Bulkhead demurrage, next 30 days or fraction thereof --	.30
	PER TON										
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Bulkhead demurrage, next 30 days or fraction thereof --	.25										
Bulkhead demurrage, next 30 days or fraction thereof --	.30										
◇Increase. Effective December 1, 1939. Issued under Authority of the Railroad Commission of the State of California No. 63-15679 and 15-23758 of November 28, 1939.											
ISSUED November 29, 1939 <span style="float: right;">EFFECTIVE December 30, 1939 (Except as noted in individual items)</span>											
Correction No. 23	Issued by JOHN BYRNE, Agent, 311 California Street, San Francisco, California.										

GOLDEN GATE TERMINALS  
Terminal Tariff NO. 1Item  
No.SECTION 2  
CHARGES APPLYING TO CARGO

## DEMURRAGE ON BONDED MERCHANDISE

Δ (a) When demurrage privileges are desired or required on Bonded Merchandise, the rates for same shall be on the basis of one-hundred-fifty per cent (150%) of rates as provided for in Paragraph (b), Item No. 50 Series, subject to additional charges for handling, as shown in this Item. (See Note)

(b) Handling charge of \$1.00 per hour per man employed will be made on shipments moved between the Bonded Area and vessels, when: (See Note)

1. The inbound vessel does NOT absorb the cost of delivering shipments to place of rest in the Bonded Area and the cost of piling such shipments.
2. The outbound vessel does NOT absorb the cost of receiving shipments from place of rest in the Bonded Area and cost of moving such shipments.

Δ (c) Handling charge of \$1.00 per hour per man employed will be made on shipments moved between the Bonded Area and railroad cars or trucks, when the Golden Gate Terminals does NOT perform the loading or unloading of such railroad cars or trucks as provided for in its Tariff No. 1, C.R.C. No. 1, supplements thereto and successive issues thereof. (See Note)

(d) Handling charge of \$1.00 per hour per man employed will be made on shipments transferred from the Free Area to the Bonded Area or from the Bonded Area to the Free Area, as the case may be. (See Note)

NOTE: Δ The term handling as used herein, refers to labor performed on the part of the Golden Gate Terminals.

★ Change

Δ Neither Increase or Reduction

★  
60-4  
Cancels  
60

Δ (a) When demurrage privileges are desired or required on Bonded Merchandise, the rates for same shall be on the basis of one-hundred-fifty per cent (150%) of rates as provided for in Paragraph (b), Item No. 50 Series; subject to additional charges for handling, as shown in this Item. (See Note)

(b) Handling charge of \$1.00 per hour per man employed will be made on shipments moved between the Bonded Area and vessels, when: (See Note)

1. The inbound vessel does NOT absorb the cost of delivering shipments to place of rest in the Bonded Area and the cost of piling such shipments.
2. The outbound vessel does NOT absorb the cost of receiving shipments from place of rest in the Bonded Area and cost of moving such shipments.

Δ (c) Handling charge of \$1.00 per hour per man employed will be made on shipments moved between the Bonded Area and railroad cars or trucks, when the Golden Gate Terminals does NOT perform the loading or unloading of such railroad cars or trucks as provided for in its Tariff No. 1, C.R.C. No. 1, supplements thereto and successive issues thereof. (See Note)

(d) Handling charge of \$1.00 per hour per man employed will be made on shipments transferred from the Free Area to the Bonded Area or from the Bonded Area to the Free Area, as the case may be. (See Note)

NOTE: Δ The term handling as used herein, refers to labor performed on the part of the Golden Gate Terminals.

★  
60-4  
Cancels  
60

★ Change      Δ Neither Increase or Reduction

ISSUED AUGUST 18, 1936

EFFECTIVE SEPTEMBER 19, 1936

Issued by R. M. Grose, Agent,  
112 Market Street,  
San Francisco, California.

Correction No. 1

C.R.C. No. 1

GOLDEN GATE TERMINALS  
Terminal Tariff No. 1

Second Revised Page No. 12

Cancels

First Revised Page No. 12

Item  
No.SECTION 2  
CHARGES APPLYING TO CARGO

## HANDLING (Receiving and Delivery) CHARGE DEFINITION

70

Handling charges cover the ordinary labor and duties incident to receiving goods at place of rest in storage, stowing and delivery from storage, but do not include unloading or loading of cars, vehicles or vessels, unless so specified. Handling charges will be billed with the storage for the first period. (See Note)

NOTE: The term "STORAGE" as used herein refers to "BULKHEAD DE URAGE", as defined and governed by Board of State Harbor Commissioners, described and published for information purposes in Item 50 Series hereof.

## HANDLING (Receiving and Delivery) CHARGES

Handling charges, as provided in this item will be assessed on cargo delivered by and/or received for specific vessel and subsequently ordered held at request of owner or carriers, and/or when declared for storage, and subject to Storage Charge. (See Note)

NOTE: Not applicable on cargo transhipped between ocean carriers.

☆  
80-B  
Cancels  
80-A

Rates in cents per 2,000 lbs., unless  
otherwise indicated in individual item.

RATE

Cotton, in High Density Bales (including car unloading and car loading (See Note) when destined to a pier in San Francisco) ----- Per Bale

25

NOTE: Carloading will be included in rate on "Block Lots" on which, when ordered out, the instructions will be for the identical lot as originally received: when shipments are ordered forwarded in lots other than originally received, viz: broken lots, an additional charge of 12-1/2 cents per bale will be assessed.

Lumber, Hardwood, per 1000 ft Board Measure -----

100

☆ Change

○ Reduction

# HANDLING (Receiving and Delivery) CHARGES

Handling charges, as provided in this item will be assessed on cargo delivered by and/or received for specific vessel and subsequently ordered held at request of owner or carriers, and/or when declared for storage, and subject to Storage Charge: (See Note)

NOTE: Not applicable on cargo transhipped between ocean carriers.

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NOTE: Carloading will be included in rate on "Block Lots"  
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the identical lot as originally received: when shipments  
are ordered forwarded in lots other than originally re-  
ceived, viz: broken lots, an additional charge of 12-1/2  
cents per bale will be assessed.

Lumber, Hardwood, per 1000 ft Board Measure -----

100

★ Change      Ⓞ Reduction

ISSUED JANUARY 26, 1938

EFFECTIVE FEBRUARY 26, 1938

Correction No. 17

Issued by JOHN BYRNE, Agent,  
311 California Street,  
San Francisco, California

**BOARD OF PORT COMMISSIONERS**  
**OF THE**  
**PORT OF OAKLAND**

**TARIFF NO. 1**

(CANCELS ALL TARIFFS IN EFFECT PRIOR TO JUNE 20, 1929)

**NAMING**  
**RATES, CHARGES, RULES AND REGULATIONS**

**APPLYING AT**  
**MUNICIPAL TERMINALS**  
**OF**  
**OAKLAND, CALIFORNIA**

Tariff No. 1

PORT OF OAKLAND

Sixth Revised Page 1  
Cancels  
Fifth Revised Page 1BOARD OF PORT COMMISSIONERS

James C. McElroy, President

Eugene W. Holand, Vice-President

Dr. George C. Perdee, Vice-President

Claire V. Goodwin

Edward J. Smith

A. H. Abel, Port Manager

M. D. McCarl, Traffic Manager

GENERAL OFFICES

Grove Street Pier, Oakland, California.

Adopted July 24, 1939

Effective July 24, 1939

(Correction No. 350)

BOARD OF PORT COMMISSIONERSOF THEPORT OF OAKLANDT A R I F F N O. 1N A M I N GRATES, CHARGES, RULES AND REGULATIONS

(Subject to change without notice)

APPLYING AT THE FOLLOWINGMUNICIPAL TERMINALS OF THE CITY OF OAKLAND, CALIFORNIA

- \* Outer Harbor -- Foot of Fourteenth Street
  - Grove Street -- Foot of Grove Street
  - Market Street -- Foot of Market Street
  - Ninth Avenue -- Foot of Ninth Avenue
  - Dannison Street -- Foot of Dannison Street -- (Lumber only)
  - Livingston Street -- Foot of Livingston Street-- " "
  - Oakland Municipal Airport -- Foot of Jones Avenue
- (Also at certain facilities under lease or assignment to private operators)

---

\* Change

---

Adopted November 4, 1929

Effective November 12, 1929

(Correction No. 2)

1428

Tariff No. 1

PORT OF SAILAND

Third Revised Page

Cancels

Second Revised Page

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## EXPLANATION OF ABBREVIATIONS

Bbl.-----Barrel	Lbs.-----Pounds
B.M.-----Board Measure	L.C.L.-----Less than Carload
C.L.-----Carload	M.F.B.M.-----1000 ft. Board Measure
CP 20-----Cost Plus 20%	Min.-----Minimum
In.-----Inch	N.O.S.-----Not otherwise specified
K.D.-----Knocked Down	Pkg.-----Package
S.U.-----Set Up	

Adopted January 18, 1937

Effective January 20, 1937

(Correction No. 260)

3421

CHECKING SHEET FOR TARIFF

This Tariff is issued in loose-leaf form, and all changes will be made by reprinting the entire page. Such reprinted pages will bear same page number as the original page and also show in upper right hand corner that it is a revised page and what page it cancels. For example, first revised page 10 cancels original page 10, or second revised page 10 cancels first revised page 10, etc.

Upon receipt of revised or new pages, a check must be placed opposite the "Correction" number (shown below) corresponding to number shown in upper left hand corner of new or changed page. If "Correction" numbers are properly checked as received, check marks will appear in consecutive order, with no omissions. If check marks indicate that a "Correction" sheet has not been received, request should at once be made to the office of the Board for a copy of

CORRECTION NUMBER	CORRECTION NUMBER	CORRECTION NUMBER	CORRECTION NUMBER	CORRECTION NUMBER
381	381	381	361	381
382	382	382	362	382
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384	384	384	364	384
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399	399	399	379	399
400	400	400	380	400

Revised November 22, 1937

Effective November 22, 1937

Correction No. 301

Tariff No. 1

PORT OF OAKLAND

Item No.

DEFINITIONS

\* 5 - CLASSIFICATION OF TRADES:

A. COASTWISE: Service along the Pacific Coast of the United States between the Mexican and Canadian Borders.  
Exception: Coastwise vessels operating via British Columbia ports shall be classed as Coastwise.

B. INLAND WATERWAY: Service between Oakland and points located upon the bays, rivers and other inland waterways of California, but not via the Pacific Ocean.

C. INTERCOASTAL: Service between Oakland and ports in the United States along the Gulf of Mexico or Atlantic Ocean.

D. HAWAIIAN: Service between Oakland and the Hawaiian Islands.

E. ALASKAN: Service between Oakland and Alaska.

# F. TRANSPACIFIC: Service between Oakland and points west of the 170th Meridian of West Longitude.

G. FOREIGN: Service other than heretofore described.

H. OFFSHORE: Where this term is used it refers to trades other than Coastwise and Inland Waterway.

10 - TERM "ITEM":

The term "Item" as used herein shall be understood as being synonymous with the term "Section."

15 - TERM "TERMINAL":

The term "Terminal" as used herein shall include "Pier", "Wharf", "Dock", "Public Landing" or other terminal structures.

\* Change

\* Addition

Adopted November 4, 1935

Effective November 4, 1935

(Correction No. 206)

2423

No. 1

PORT OF OAKLAND

## DEFINITIONS (Continued)

SERVICE CHARGE:

The charge assessed against operators of vessels which load or discharge cargo for use of terminal facilities and/or for performing one or more of the following services. The service charge is in addition to dockage and/or toll charges, if any, which may be assessed pursuant to the provisions of this tariff.

- A. Arrange berth for vessel.
- B. Arrange for cargo space on pier.
- C. Check cargo to or from vessel as required.
- D. Receive outbound cargo from shippers.
- E. Deliver inbound cargo to consignees.
- F. Make up dock manifests covering cargo loaded aboard vessels.
- G. Prepare over, short and damage reports.
- H. Order cars.
- I. Give information to shippers and consignees regarding cargo, sailing and arrival dates of vessels, etc.
- J. Lighting piers.

DOCKAGE:

The charge assessed against a vessel for berthing at a terminal facility, or for making fast to another vessel which is berthed at a terminal facility.

TOLLS:

The charge for cargo conveyed on, over or through a terminal facility or loaded or discharged while vessel is berthed at a terminal facility. This charge will be assessed against and collected from the steamship company, who will either absorb same or collect it from shippers or consignees. Inbound cargo, on which tolls have been assessed, and which has not been removed from the terminal, may be reshipped from the same terminal or from any other Municipal Terminal of Oakland without being assessed further tolls, except when Coastwise or Inland Waterway cargo is reshipped to Offshore destination, the Offshore vessel shall pay the difference between the Coastwise or Inland Waterway tolls and the full Offshore tolls.

January 6, 1934

Effective January 9, 1934

Section No. 165)

2424

• 35 - FREE TIME:

The time allowed for assembling cargo for outbound water movement, or for removing cargo discharged from vessels or other watercraft before the assessment of storage charges. Unless otherwise specified for individual items, 10 days free time, exclusive of Sundays and holidays, will be allowed. Free time commences at 8:00 A.M. of the first day following the day freight is unloaded from railroad cars or vehicles, or following the day vessel completes discharging.

Exception No. 1: When freight moving under through rates from Hawaiian Islands to Intercoastal or Foreign destinations is delivered by the Hawaiian vessel after the final receiving date of the Intercoastal or Foreign vessel at terminals operated by the Board, such freight shall be allowed free time (but not less than 10 days exclusive of Sundays and Holidays) to and including the final receiving date at terminals operated by the Board of the next vessel of the same Intercoastal or Foreign Line which is to receive freight at such terminals for the same destination.

Exception No. 2: When vessels are delayed, due to stress of weather, accidents, and in cases of breakdowns or other emergencies, the Port Manager may extend the free time to such number of days as in his judgment is warranted and equitable in each individual case.

Exception No. 3: CANCELED.

40 - STORAGE:

The charge assessed against cargo remaining on terminal property after the free time period. Storage of cargo is at the discretion of the Port Manager.

45 - LOADING:

The charge for loading freight into railroad cars or vehicles. Rates shown herein for direct loading between vessels and open cars are not assessed by the Board. Such rates are shown only as information to shippers and are assessed and collected by steamship companies for their own account.

50 - UNLOADING:

The charge for unloading freight from railroad cars or vehicles. Rates shown herein for direct unloading between open cars and vessels are not assessed by the Board. Such rates are shown only as information to shippers and are assessed and collected by steamship companies for their own account.

• Change

Adopted December 4, 1933  
(Correction No. 157)

Effective December 4, 1933

Tariff No. 1  
Ann No.

PORT OF OAKLAND  
DEFINITIONS (Continued)

55 - TERM "TON"

(a) When the term "ton" is used in this tariff, it will mean 2,000 pounds gross weight, unless otherwise specified.

(b) When the term "measurement ton" is used in this tariff, it will mean 40 cubic feet. Measurement tons may be based on ship's manifest or computed by using the extreme dimensions on all sides of the package.

60-C- OVERTIME:

Rates named in this tariff for service involving labor are based on current rates of pay for straight time under ordinary labor and traffic conditions. When services are performed during overtime between 5:00 p.m. and 8:00 a.m. and on Sundays and holidays, for the account of shippers, transportation companies or other parties the difference in rates of pay for straight time and overtime based on established hourly rates, plus 10 per cent will be assessed against parties for whose account such services are performed. This charge is in addition to rates named for services on a straight time basis. Does not apply on services for which cost plus is named for straight time work.

Exception No. 1: When clerks are ordered by ocean carriers and required to stand by, full established hourly rates of pay plus 10 per cent will be billed. When clerks are called but not used, they will be allowed two hours' time and steamship companies will be billed for such time on basis of full established hourly rates of pay plus 10 per cent.

Exception No. 2: Overtime for barging companies and inland waterway carriers will be between 7:00 p.m. and 8:00 a.m. and on Sundays and holidays. The charge for checking and supervision during such hours will be on basis of full established hourly rates paid checkers.

65-A- HOLIDAYS:

When the term "holidays" is used in this Tariff, it will include the following days only. (See Note)

New Year's	Independence Day	Armistice Day
Lincoln's Birthday	Labor Day	Thanksgiving
Washington's Birthday	Admission Day	Christmas
Memorial Day	Columbus Day	

\*Note: When any holiday falls on Sunday, the Monday following will be observed as the holiday.

70 - TERM "BOARD":

The term "Board" as used herein shall mean the Board of Port Commissioners of the City of Oakland, a municipal corporation of the State of California, also herein referred to as the Port of Oakland, and shall be understood as being interchangeable with the term "City of Oakland", the said Board being the legislative and administrative body of said city with authority to act for and represent it in all matters pertaining to the operation and governing of the port and its facilities. The Port Manager is and shall be in respect to the matters herein mentioned the executive officer and managerial authority of such Board.

1134

Tariff No. 1

PORT OF OAKLAND

Original Page 9

Item No.

RULES AND REGULATIONS75 - APPLICATION OF RATES:

The rates, charges, rules and regulations named in this Tariff or in corrections thereto, apply on all freight on hand or received at terminals on and after effective date of this Tariff or effective date of corrections thereto or reissues thereof.

80 - WHEN CHARGES ARE PAYABLE:

All charges are due and payable as they accrue. The Port Manager may, at his discretion, require charges which are assessed against the vessel, its owners, operators or agents to be paid before the vessel leaves its berth. The Port Manager may also require the payment of charges accrued against cargo to be paid before delivery of such cargo from the terminals.

85 - CHARGES, NOW ENFORCED:

For the purpose of enforcing the payment of charges named in this Tariff on cargo handled over or stored on the Municipal facilities, the Board may take possession of such cargo, and may remove and store same at the charge, risk and expense of the owner or consignee thereof and/or may sell the goods by public auction, and/or pursue such other remedies as may be provided by law.

90 - TRANSFER OF FREIGHT TO OTHER FACILITIES:

Storage of goods accepted as transit shipments will be at the discretion of the Port Manager, and the right is reserved upon expiration of free time period or in case of shut-out cargo upon clearance of vessel from the terminal to transfer freight to public or private facilities, to other locations within terminal or to other receptacles at the charge, risk and expense of the owner, consignee or steamship company, according to responsibility.

95 - COST PLUS:

Charges for labor and material not specifically provided for will be on basis of actual cost plus 20%.

Adopted June 17, 1928

Effective June 20, 1929

## Item No. RULES AND REGULATIONS (Continued)

100 - MINIMUM CHARGE:

The minimum charge for storage of a single shipment will be 50¢ per month or fraction thereof. The minimum charge for any service or combination of services for which an invoice is rendered will be 50¢.

106 - MANIFEST TO BE FURNISHED:

The masters or agents of vessels discharging or loading cargo must furnish promptly to terminal superintendents appointed by the Board, copies of their inbound or outbound manifests showing consignees and consignors, weights, or measurements of the various items and basis on which freight charges are assessed. The Board reserves the right to audit all manifests and to use such audits as basis for charges.

110 - PERSONS ON BOARD VESSELS TO ACT ON ORDERS OF TERMINAL SUPERINTENDENTS:

(a) Vessels must at all times have on board at least one person in charge with authority to take such action in any emergency as may be demanded by the Terminal Superintendent.

(b) A vessel must shift or go into the stream at its own expense, when so ordered by the Terminal Superintendent, who shall have power to enforce removal at the expense of the vessel.

(c) The master, agent or owner of a vessel refusing or neglecting to obey the orders of the Terminal Superintendent in any matter pertaining to the regulation of the harbor, or removal or stationing of such vessel, is guilty of a misdemeanor, and liable to a fine not exceeding \$300.00, or imprisonment not exceeding one hundred days, or both.

115 - LIGHTS AT NIGHT:

Vessels, barges, etc., while anchored or moored in the harbor must at all times of the night show lights.

120 - REMOVAL OF PERISHABLES AND UNDESIRABLE CARGO OR MATERIAL:

The Port Manager may, at his discretion, cause the removal of perishables, cargo which is liable to damage other cargo, bulky freight or other undesirable cargo or material, with or without notice, to another location within the terminal, or to private facilities at the risk and expense of the owner. Rubbish or other waste materials must be removed from the terminal by the party placing it there; otherwise it will be removed by the Terminal Superintendent at the expense of the party responsible.

No substance that will sink or form an obstruction to navigation or become a nuisance shall be deposited in the waters of the harbor without first obtaining permission from the War Department.

125 - EXPLOSIVES, COMBUSTIBLES, INFLAMMABLES, ETC.

(a) No gun powder or other explosives shall be discharged onto or loaded from any terminal structure, vessel, barge or other floating equipment, whether publicly or privately owned, within the corporate limits of the City of Oakland. Nor shall any vessel, barge or other floating equipment carrying gun powder or other explosives, at any time be permitted to anchor or remain in any water area or channel, nor be tied, moored or otherwise made fast to any waterfront structures within the corporate limits of the City of Oakland. Explosives meant herein are defined in paragraph 1503 of the Regulations of the Interstate Commerce Commission for the transportation of explosives. (These are quoted and referred to in the Federal Rules and Regulations on "Anchorage Grounds". Anchorage Area No. 13 - Explosives Anchorage - has been set aside and designated by the United States District Engineer, San Francisco, as the official area in which explosives may be handled in San Francisco Bay District. The enforcement of the Federal rules and regulations referred to are under the jurisdiction of the Captain of the Port, San Francisco, California.)

(b) Acids, combustibles and inflammables shall not be permitted to remain over night on any terminal structure operated by the Board. Unless removed by owners or consignees by 5:00 o'clock P.M. of each day, the Terminal Superintendent may have them removed at the expense of whom it may concern.

Adopted June 17, 1929

Effective June 20, 1929

## RULES AND REGULATIONS (Continued)

HANDLING OF PETROLEUM PRODUCTS:

(a) The storing, keeping or use of gasoline, distillate or other liquid petroleum products on premises under direct control of the Board, except at such localities as may be specially designated therefor, is strictly prohibited. At such localities as may be designated therefor, same shall not be handled except between sunrise and sunset.

(b) Vessels will be allowed to take on board gasoline and distillate only between 8:00 A.M. and 5:00 P.M. and when vessel is otherwise ready to depart. Trucks or wagons containing gasoline or distillate for delivery to vessel will not be permitted to remain on terminal property if vessel is not ready to receive such gasoline or distillate.

(c) Empty gasoline or distillate drums must be removed from terminal property at once.

(d) No person, firm, association or corporation shall discharge or deposit, or shall cause or suffer to be discharged or deposited, or to pass, in or into the waters of the bay of San Francisco, any coal tar or refuse or residuary product of coal, petroleum, asphalt, bitumen or other carbonaceous material or substance.

ESTIMATED WEIGHTS ON PETROLEUM AND PETROLEUM PRODUCTS:

When not shipped in cases, barrels, etc., and when actual weight or measurement is not obtainable, petroleum and petroleum products, except crude, fuel or gas oil will be subject to estimated weight of 6.6 lbs. per gallon. Crude, fuel and gas oil will be subject to estimated weight of 7.4 lbs. per gallon.

RESPONSIBILITY:

The Board will not be responsible for loss or damage caused by fire; frost; heating; leakage; evaporation; natural shrinkage; wastage or decay; animals; insects; leakage or discharge from fire protection system; breakdown of plant, machinery or equipment; floats, logs or piling required in breasting vessels away from wharves or piers; dampness; riots; strikes; war; insurrection; shortage of labor; insufficient notification; the elements, or any causes unavoidable or beyond its control.

The Board will not assume any responsibility for loss of lumber, lumber products, scrap metal or other bulk commodities handled or stored on uncovered facilities.

change

March 27, 1939

Effective March 27, 1939

Tariff No. 1

PORT OF OAKLAND

## RULES AND REGULATIONS (Continued)

Item No.

#141 -

RESPONSIBILITY: (continued)

The Board will not be liable for loss, damage, or delay arising from the failure of the shipper to arrange for space on the transporting vessel, or from the failure of carrier to load or transport goods on the particular date or vessel nominated by the shipper or owner, of such goods, or on any date or vessel. In the event of any such failure, such goods shall be held subject to all of the applicable charges and provisions of this tariff.

145 -

CARGO HANDLED DIRECT BETWEEN VESSEL AND RAILROAD CARS:

When no charge for carloading or unloading is assessed by this Board on cargo handled direct between vessels and railroad cars (open), no responsibility will be assumed by the Board for overloading or improper loading of cars, nor condition of freight handled in this manner, and the Board reserves the right to state what cars shall be handled alongside vessel.

450 -

INSURANCE:

Rates named herein do not include insurance.

155 -

DEMURRAGE ON CARS:

Unless the Board is directly responsible for delay in loading or unloading cars, it will not assume any responsibility for demurrage charges which may accrue against such cars.

160 -

SMOKING PROHIBITED:

No smoking will be allowed on any terminal structure.

# Addition

Adopted October 2, 1939  
(Correction No. 351)

Effective October 2, 1939

Tariff No. 1                      PORT OF OAKLAND

Item No.                      ABSORPTIONS

165

FREIGHT NOT ARRIVING IN TIME TO CONNECT WITH VESSEL:

When freight which has been booked for a specific vessel, scheduled to receive cargo at a Municipal Terminal, arrives too late to connect with the vessel at such terminal but before departure of the vessel from San Francisco Bay, the "Board" may, at the discretion of the Port Manager, absorb the cost of transportation or diversion charge from the terminal for which cargo was booked to another terminal in Oakland, Alameda or San Francisco at which vessel is to load cargo.

\*170-A

ABSORPTION OF DIFFERENTIAL IN SWITCHING CHARGES (SEE NOTE)

When the railroad switching charges between industries located within the Oakland switching district and the Municipal Terminals exceeds the switching charges between such industries and the private terminals of Oakland or Alameda, the difference in such switching charges will be absorbed by the "Board".  
Note: Will not apply on Lumber; Bark; Lath; Piling; Shingles or Ties.

180

ABSORPTION OF DIVERSION CHARGE ON CARLOAD FREIGHT:

When carloads of freight which are destined to terminals at Alameda, Oakland, Richmond and/or San Francisco, are diverted to a Municipal Terminal, by or for the benefit of the Port of Oakland, the "Board" may, at the discretion of the Port Manager, absorb the diversion charges assessed by the rail carriers.

\*Change

Adopted February 20, 1939

Effective February 20, 1939

(Correction No. 330)

Tariff No. 1

PORT OF OAKLAND

Item No.

ABSORPTIONS (Continued)

185

ABSORPTIONS ON LESS THAN CARLOAD SHIPMENTS:

(a) When the cost of transporting L.C.L. shipments of freight between the Municipal Terminals and points of origin or destination exceeds the cost of transporting such shipments between other terminals on San Francisco Bay and such points of origin or destination, the Board may, at the discretion of the Port Manager, absorb the difference in such transportation charges.

(b) When, in order to secure the movement of part of a carload of freight over the Municipal facilities, it is necessary to absorb the transportation charges on the balance of the car, the Board may, at the discretion of the Port Manager, absorb the cost of transportation on the freight required to make up the carload.

190

CONSOLIDATION CHARGES:

When a shipment of freight is handled partly over the Municipal facilities and the balance is handled over some other facility on San Francisco Bay, the Board may, at the discretion of the Port Manager, absorb the consolidation charges which are assessed by the steamship company, provided a sufficient portion of the shipment is handled over the Municipal facilities to warrant such absorption

MISCELLANEOUS CHARGES

#193

COAL:

Sacking, Sowing and Weighing

Rate in Cents  
per 2000 lbs.

150

#194

FREIGHT TRANSFER SERVICE CHARGE:

Service charge on freight (see exception) received at piers and wharves from rail car or truck for delivery to rail car or truck, or for transfer between highway trucks or between highway truck and city carrier or privately owned truck.

Exception: Will not apply on rejected shipments of dried fruit to be returned to shipper's plant.

Does not include any labor for handling cargo.

Rate in Cents  
per 2000 lbs.

50

# Addition

Adopted October 16, 1939

Effective October 20, 1939

(Correction No. 352)

Item No.	MISCELLANEOUS CHARGES
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195-C-
DOCK EQUIPMENT:

Dock equipment at risk of users may be furnished by the Board at its convenience, at the following rates per hour or fraction thereof:

2-wheel cargo trucks .....	\$0.02 each
4-wheel " " .....	0.03 "
Electric piling machines, exclusive of operator ..	0.75 "

197-B-	<u>SIDETRACKING LUMBER:</u>	<p>All lumber and lumber products discharged onto the open dock at the Ninth Avenue Terminal must be discharged onto blocks and removed immediately by means of a lumber carrier from within reach of ship's tackle. All lumber not so removed by consignee or his agent will be moved back to rear portion of the dock by the Board at expense of the consignee. The charge for this service will be 25¢ per M.F.B.M.</p>
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198-A-	<u>SUPERVISION CHARGE:</u>	<p>When vessels load or discharge lumber or lumber products during overtime between 5:00 p.m. and 8:00 a.m., or on Sundays or holidays, on which no "Service Charge" is assessed, a charge for supervision at the rate of \$1.75 per hour will be assessed against the steamship operator. A minimum of two hours' time will be charged for when work is started and completed during overtime.</p>
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#200

### ELECTRIC CURRENT FOR POWER AND SHIP LIGHTING:

All electric current used for power or ship lighting must pass through the master meters of the Board and will be supplied at the following rates:

Per K.W.H.

(a)	For the first 300 K.W.H.....	\$0.06
(b)	For the next 500 K.W.H.....	0.05
(c)	For the next 800 K.W.H.....	0.04
(d)	For all over 1600 K.W.H.....	(R) 0.03
(e)	For connecting up a ship with light or power circuits in cases where the ship furnishes shore cables, plugs or motor connections, the service charge will be.....	\$7.50
(f)	For extension of light or power circuits, where necessary, or to supply shore cables, plugs or motor connections, the service charge will be.... plus time and material.	\$7.50
(g)	For installation of submeter, where necessary, in addition to service charge.....	\$2.50
(h)	When a ship or motor is connected as in (e), and the ship temporarily leaves the terminal, and returns during the same voyage, no additional service charge will be made.	

\* Change

Adopted January 23, 1939  
(Correction No. 328)

(R) Reduction

Effective January 23, 1939

Tariff No. 1

PORT OF OAKLAND

Item No.

## MISCELLANEOUS CHARGES (Continued)

200 Cont'd	<u>ELECTRIC CURRENT FOR POWER AND SHIP LIGHTING:</u> (Cont'd) (h) Ships moving from one pier to another of their own volition and requiring connections, shall be charged as provided for in (d), (e) and/or (f), but ships berthed for repairs and moved by order of the terminal superintendent, will not be required to pay additional service charges, but shall pay in lieu thereof time and material charges and/or submeter charges as provided for in (e) and/or (f).																		
205-A	<u>WATER:</u> Charge for water furnished vessels will be as follows: First 1300 cubic feet - \$1.08 per 100 cubic feet Next 2,000 cubic feet - .259 " " " " Next 30,000 " " " " " " All over 33,300 cu.ft.- .194 " " " " Minimum charge - \$2.70 When city hose is furnished, same will be at user's risk.																		
* 208-A	<u>ENCLOSURE RECEIPT FOR POOL CAR SHIPMENTS:</u> <u>CANCEL</u>																		
210-	<u>CHECKING:</u> When freight is checked to or from railroad cars for the account of the Railroad Company, the charge shall be 10¢ per ton.																		
215-E	<u>TAKING AND RELEASING LINES:</u> When these services are performed for the account of the carriers, the charge shall be: During regular working hours .....95¢ per man per hour Minimum charge 95¢ per man. During overtime hours .....\$1.40 per man per hour Minimum charge \$1.40 per man. Two hours time will be assessed when men are paid for two hours																		
217-A	<u>RECONDITIONING FLOUR:</u> The charge for reconditioning flour shall be as follows: <table><tr><th>Size</th><th>Resack and bring to correct weight</th><th>Sift, resack and bring to correct weight</th></tr><tr><td>5#</td><td>4¢ per sack</td><td>5¢ per sack</td></tr><tr><td>10#</td><td>6¢ " "</td><td>8¢ " "</td></tr><tr><td>24#</td><td>7¢ " "</td><td>12¢ " "</td></tr><tr><td>49#</td><td>12¢ " "</td><td>20¢ " "</td></tr><tr><td>98#</td><td>20¢ " "</td><td>36¢ " "</td></tr></table>	Size	Resack and bring to correct weight	Sift, resack and bring to correct weight	5#	4¢ per sack	5¢ per sack	10#	6¢ " "	8¢ " "	24#	7¢ " "	12¢ " "	49#	12¢ " "	20¢ " "	98#	20¢ " "	36¢ " "
Size	Resack and bring to correct weight	Sift, resack and bring to correct weight																	
5#	4¢ per sack	5¢ per sack																	
10#	6¢ " "	8¢ " "																	
24#	7¢ " "	12¢ " "																	
49#	12¢ " "	20¢ " "																	
98#	20¢ " "	36¢ " "																	

\* Change

Adopted October 16, 1939  
(Correction No. 353)

Effective October 20, 1939

OF NO. 1

PORT OF OAKLAND

**SERVICE CHARGES**  
**RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED**

FOREIGN - INBOUND

No.	Commodity	Cents
D-C	Cargo, N.O.S.:	
	(a) In bulk, ex vessel direct to barge or car	(A) 20
	(b) Ex vessel direct to barge or open car	(A) 40
	(c) Other than described in paragraphs (a) and (b)	(A) 75
F-A	Balls, grinding, iron or steel, loose	(A) 42½
D-B	Cement	(A) 40
D-B	Copra, in sacks	(A) 40
D-C	Fertilizers, Viz: Ammonia Phosphate, Sulphate of Ammonia, Cyanamid, Nitrates, Phosphates, Potash, Sulphate of Potash, Urea and other chemical or prepared fertilizers.	(A) 40
D-A	Iron and Steel, Viz.:	
	Bar; Plate; Sheet; Structural; Pipe, wrought iron or steel	(A) 60
	Sheet Steel in packages weighing 1000 lbs. each, or more	(A) 55
D-A	Lumber, per M.F.B.M. when for transshipment via Ocean-going vessel	(A) 80
D-A	Nuts, for oil pressing purposes	(A) 40
D-C	Oil Cake Meal, in sacks	(A) 40
D-B	Paper and Paper Products, Viz.:	
	Boxboard; Fibreboard; Tray; Waste; Wrapping	(A) 40
	Newsprint	(A) 40
	Woodpulp	(A) 40
D-A	Peat Moss	(A) 67½
D-C	Rags	(A) 40
D-B	Seed, in sacks	(A) 40
D-B	Sugar	(A) 40
D-B	Tinplate	(A) 50
D-B	Beans; Cotton; Cutch; Hemp; Peanuts; Rice; When for transshipment via ocean-going vessel	(A) 40

(A) Increase

Adopted May 27, 1940  
 (Correction No. 363)

Effective June 15, 1940

1144

Ninth Revised Page 18-

Cancels

Eighth Revised Page 18-

Tariff No. 1

PORT OF OAKLAND

## SERVICE CHARGES

RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED

<u>TRANS-PACIFIC - INBOUND</u>		
Item No.	Commodity	Cen
259-1A	Cargo, N.O.S.	60
259-2A	Cargo, N.O.S., ex vessel direct to open car or barge	40
259-3A	Cargo, in bulk, ex vessel direct to car or barge	20
259-4A	Ammonia, Sulphate of	40
259-5A	Copra, in sacks	40
	Copra, in bulk, when stevedored ex vessel with mechanical equipment located on shore	20
259-6A	Meals and Meal Cake, viz.: Animal, Fish, Vegetable	40
259-7	Nuts, for Oil pressing purposes	(R) 40
259-8A	Pig Iron, ex vessel direct to open car or barge	20
259-9A	Rage	40
259-10A	Seed	40
259-11A	Sugar	40
259-12A	Beans; Cutch; Hemp; Peanuts; Rice; Cotton. (See Note) Lumber, per M.F.B.M. (See Note)	40 60
Note: When for transshipment via ocean-going vessel.		
<u>FOREIGN - OUTBOUND</u>		
260-C	All cargo, N.O.S.	60
262-B	Barley; Oats	40
267-C	Copra, in bags	40
	Copra, in bulk, when stevedored ex vessel with mechanical equipment located on shore	20
268-B	Copper Slabs, direct from car to vessel	40
269-B	Meal and Meal Cake, viz.: Animal; Fish; Vegetable	40
270-B	Lumber, per M.F.B.M.	60
272-B	Iron and Steel Articles, viz.: Bar; Plate; Rails; Sheet; Structural, direct from car to vessel	40
275-B	Nitrates	40
277-B	Oil, in bulk, direct from car to vessel	20
280-B	Salt Cake	40
282-B	Wheat	40

(R) Reduction

Adopted July 22, 1940  
(Correction No. 371)

Effective July 23, 1940

TARIFF NO. 1

PORT OF OAKLAND

Eighteenth Revised Page 19

SERVICE CHARGES (Continued)  
RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED

<u>TRANS-PACIFIC - OUTBOUND</u>		
Item No.	Commodity	Cents
93-1A	Cargo, N.O.S.	(A) 60
93-2B	Cargo, N.O.S., ex barge or open car direct to vessel	(A) 40
93-3B	Ammonia, Sulphate of	(A) 40
93-4A	Boxboard	(A) 42½
93-5C	Cotton	(A) 55
93-6A	Lumber, per M.F.B.M.	(A) 60
93-7A	Oil, in bulk, ex barge or car direct to vessel	(A) 20
93-8B	Petroleum Products, in packages	(A) 42½
93-9A	Scrap Material:	
	(a) Ex dock to vessel	(A) 35
	(b) Ex barge or open car direct to vessel	(A) 20
<u>HAWAIIAN - INBOUND</u>		
93-C	Cargo, N.O.S.	(A) 55
<u>HAWAIIAN - OUTBOUND</u>		
90-D	Cargo, N.O.S.	(A) 55
91	Cement, building	(R) 40
92-B	Oil, in bulk, direct from car to vessel	(A) 20
<u>INTERCOASTAL - INBOUND</u>		
96-D	Cargo:	
	(a) N.O.S., other than described in paragraphs (b) and (c)	(A) 75
	(b) Ex vessel direct to barge or open car	(A) 40
	(c) N.O.S., in bulk, ex vessel direct to barge or car	(A) 20
96-B	Automobiles, or other vehicles, S.U. on wheels, weighing not over 4,000 pounds, per unit-----Each	(A) 120
96-A	Chemicals, Visc.: Ammoniated Phosphate; Cyanamid; Soda Products, in bags	(A) 60
96-A	Clay, in bags	(A) 60
96-B	Fibreboard, in bundles	(A) 50

(INTERCOASTAL-INBOUND CONTINUED ON NEXT PAGE)

# Addition

(A) Increase

(R) Reduction

Adopted May 27, 1940

Effective June 15, 1940

(Correction No. 365)

SERVICE CHARGES (Continued)  
RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED

<u>INTERCOASTAL - INBOUND (Continued)</u>		
<u>Item No.</u>	<u>Commodity</u>	<u>Cents</u>
305-A	Fibreboard, in bundles, when consigned to Howard Terminal, not checked by terminal employees and removed promptly from the terminal	25
306-B	Fuller's Earth, in pkgs., in lots of 500 tons or more	(A) 50
307-C	Pig Iron, ex vessel direct to open car or barge	(A) 40
308-A	Iron and Steel, Viz.: Bars; Pipe, wrought iron or steel; Plates; Sheets; Structural	(A) 50
309-B	Pipe, cast iron, pressure (not including soil pipe)	(A) 55
310	Pulpboard, in rolls, lots of 250 tons or more	(R) 50
311-B	Sheet Steel, in packages of 1000 lbs. each, or over	(A) 55
312-A	Shells, Oyster, in bags	(A) 60
313-A	Slate, crushed, in bags	(A) 60
315-C	Tinplate	(A) 50
<u>INTERCOASTAL - OUTBOUND</u>		
320-C	Cargo, N.O.S.	(A) 55
325-B	Copper Slabs, direct from car to vessel	32 1/2
330-B	Lumber, per M.F.B.M.	(A) 60
332-B	Beans; Copra; Cutch; Hemp; Oil Cake; Meal; Peanuts; Rags; Seed; When received ex Foreign or Trans-Pacific vessel	(A) 40
335-B	Oil, in bulk, direct from car to vessel	(A) 20
Addition (A) Increase (R) Reduction		
Adopted May 27, 1940 (Correction No. 366)		
Effective June 15, 1940		

## SERVICE CHARGES (Continued)

RATES IN CENTS PER 2000 LBS., UNLESS OTHERWISE SPECIFIED

COASTWISE - INBOUND	
(Will also apply on traffic from Canadian Pacific Coast Ports)	
Item No.	Cents
335-B	Cargo, N.O.S.
	(a) In bulk, direct from vessel to barge or car (A) 20
	(b) Ex vessel direct to barge or open car (A) 40
	(c) Other than described in paragraphs (a) and (b):
	Carload (A) 50
	Less than carload (A) 75
344-B	Automobiles, or other vehicles, S.U. on wheels, each (A) 120
345-C	Box Shooks and Crate Material (A) 42
347-B	Fish Meal (A) 42
350-C	Flour; Feed; Cereals (A) 35
355-H	Lumber (Softwood):
	(a) Handled through shed, per M.F.B.M. (A) 60
	(b) Handled over uncovered facilities:
	Lumber; Ties; Posts; Bark and Piling Free
	Lath; Shingles Free
360-D	Paper Products, viz.: Boxboard, Fibreboard, Newsprint
	Pulp, Tray, Waste and Wrapping (A) 40
365-B	Pig Lead, N.O.S. (A) 42
	Pig Lead, ex vessel direct to car (A) 35
370-B	Potatoes (A) 42
COASTWISE - OUTBOUND	
(Will also apply on traffic to Canadian Pacific Coast Ports)	
375-C	Cargo, N.O.S.:
	(a) Ex car direct to vessel (A) 40
	(b) Other than described in paragraph (a):
	Carload (A) 42
	Less than carload (A) 55
377-B	Asphalt, emulsified, ex car direct to vessel (A) 20
380-B	Automobiles, or other vehicles, set up on wheels, each (A) 120
385-C	Cement (Portland); Salt; Salt Cake; Sand; Sugar;
	(a) Ex car or barge direct to vessel (A) 30
	(b) Ex dock to vessel (A) 42
390-B	Flour; Feed; Cereals (A) 42
392-A	Oil, in bulk, ex car or barge direct to vessel (A) 20

(A) Increase

Adopted May 27, 1940  
(Correction No. 367)

Effective June 15, 1940

1148

Sixth Revised Page 1

Cancels

Fifth Revised Page

TARIFF NO. 1

PORT OF OAKLAND

SERVICE CHARGES (Continued)  
 RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED

Item No.	<div style="text-align: center;"><u>ALASIAN - INBOUND</u></div> <div style="text-align: center;"><u>Commodity</u></div>	
395-C	All Cargo	(A)
400-C	<div style="text-align: center;"><u>ALASKAN - OUTBOUND</u></div> <div style="text-align: center;">All Cargo</div>	(A)
405-B 415-C	<div style="text-align: center;"><u>INLAND WATERWAY - INBOUND</u></div> <div style="text-align: center;">(Will also apply on traffic from Monterey, Calif.)</div> <div>Cargo, N.O.S.</div> <div>Scrap Metal, direct from vessel to open car</div> <div> <u>Exception No. 1</u> - When freight is received from Inland Waterway vessels for delivery to ocean-going vessels, the above charges will not be assessed against the Inland Waterway vessels.         </div>	(A) (A)
430-B	<div style="text-align: center;"><u>INLAND WATERWAY - OUTBOUND</u></div> <div>Cargo, N.O.S.</div> <div> <u>Exception No. 1</u> - When freight has been received from ocean-going vessels for delivery to Inland Waterway vessels, the above charges will not be assessed against the Inland Waterway vessels.         </div> <div> <u>Exception No. 2</u> - The charges shown above will not apply on freight manufactured or processed at terminal buildings within the Outer Harbor Terminal area.         </div>	(A)
(A) Increase		
<div>Adopted May 27, 1940</div> <div>(Correction No. 368)</div> <div style="text-align: right;">Effective June 15, 1940</div>		

Arriff No. 1

PORT OF OAKLAND

Third Revised Page 22

Cancels

Second Revised Page 22

tem No.

DOCKAGE

46  
(A)

BASIC FOR CHARGES:

Ocean-going vessels shall have dockage assessed based upon net registered tonnage. Other than ocean-going vessels and all watercraft engaged in inland waterway trade, except lighters, shall have dockage assessed based upon under-deck tonnage measurement.

47

WHEN DOCKAGE COMMENCES:

Dockage shall commence upon a vessel when making fast to a wharf, pier or seawall structure, or mooring to a vessel so berthed, or coming within a slip, channel, basin or canal, and shall continue until such vessel is completely freed from and has vacated the berth.

No deductions shall be made for Sundays, holidays, or on account of weather conditions.

50-A  
(A)

CHARGES ON VESSELS ENGAGED IN COASTWISE OR OFFSHORE TRADE:

Half Dockage Rate:

When a service charge is assessed against a vessel upon cargo loaded or discharged, dockage shall be charged as follows:

Net Registered Tons			Rate for 24-hour Day
From	10 to	250 Inc.	\$ 2.25
"	251 to	500 "	4.50
"	501 to	1,000 "	6.00
"	1,001 to	1,500 "	7.50
"	1,501 to	2,000 "	9.00
"	2,001 to	2,500 "	12.00
"	2,501 to	3,000 "	15.00
"	3,001 to	4,000 "	18.00
"	4,001 to	5,000 "	21.00
"	5,001 to	6,000 "	24.00
"	6,001 to	7,000 "	27.00
"	7,001 to	8,000 "	30.00
"	8,001 to	9,000 "	33.00
"	9,001 to	10,000 "	36.00

(1) Vessels of over 10,000 net registered tons shall be charged dockage in addition to the above charge of \$36.00 at the rate of \$3.00 per day for each additional 1,000 net registered tons or fraction thereof.

# Addition

(A) Increase

(B) Deduction

Adopted January 18, 1937

Effective January 20, 1937

Correction No. 256)

Item No.      DOCKAGE (Continued)

450-A      Cont'd:

(2) In computing dockage charges under this item, only sixths of days shall be considered and charged for, in the manner as follows, to-wit:

- (a) Four hours or less shall be charged one-sixth of one day's dockage.
- (b) Over four and not more than eight hours shall be charged two-sixths of one day's dockage.
- (c) Over eight and not more than twelve hours shall be charged three-sixths of one day's dockage.
- (d) Over twelve and not more than sixteen hours shall be charged four-sixths of one day's dockage.
- (e) Over sixteen and not more than twenty hours shall be charged five-sixths of one day's dockage.
- (f) Over twenty and not more than twenty-four hours shall be charged one day's dockage.

No charge for dockage under this item shall be less than two dollars (\$2.00) in any case.

Exception No. 1:

Vessels other than lighters may be docked at such non-operative facilities in the harbor as may be designated by the Port Manager, at 50% of the rates named in this Item, provided such vessels are berthed for not less than 30 consecutive days.

452

# (R)

CHARGES ON VESSELS ENGAGED IN INLAND WATERWAY TRADE:

Half Dockage Rate:

Vessels, other than lighters, engaged in inland waterway trade will be charged half dockage rate of 1 cent per ton per day of 24 hours or part thereof, for the first 200 net registered tonnage, or under-deck measurement of the vessels, as provided for in Item No. 446, and 3/8 cents for each additional ton when occupied as specified below:

- (1) Vessels docking at a wharf discharging and/or loading cargo.
- (2) Vessels docking at wharf and taking on stores, supplies, bunkering fuel, watering, fumigating, or undergoing repairs.
- (3) Vessels while receiving or discharging ballast, or receiving stiffening.
- (4) Vessels while lying outside of a vessel at a wharf (outside berth), discharging, loading or lying idle.

# Addition

(R) Reduction

Adopted January 18, 1937

Effective January 20, 1937

(Correction No. 257)

Tariff No. 1

PORT OF OAKLAND

Third Revised Page 24

Cancels

Second Revised Page 24

Item No.

DOCKAGE (Continued)

455-B  
(R)CHARGES ON VESSELS ENGAGED IN COASTWISE TRADE:Full Dockage Rate:

Full dockage rate is 2 cents per ton per day of twenty-four hours, or part thereof, for the first two hundred net registered tonnage, and 3/4 cent for each additional ton.

When no service charge is assessed against vessels engaged in coastwise trade, they will be charged full dockage, when occupied as specified below:

- (1) When docking at wharf while discharging cargo.
- (2) Docking at wharf while discharging or taking on passengers and baggage.
- (3) With cargo on board, docking at wharf, while taking on stores, supplies or fuel for such vessel.
- (4) With cargo on board, docking at wharf while lying idle.
- (5) That are engaged in towing.
- (6) That are not engaged in carrying freight or passengers.

456  
(R)CHARGES ON VESSELS ENGAGED IN COASTWISE OR OFFSHORE TRADES:Half Dockage Rate:

Half dockage rate is 1 cent per ton per day of twenty-four hours, or part thereof, for the first two hundred net registered tonnage, and 3/8 cent for each additional ton.

(a) When no service charge is assessed against vessels engaged in Coastwise trade, they will be charged half dockage, when occupied as specified below:

- (1) When docking at wharf while loading cargo.
- (2) With no cargo on board, docking at wharf while receiving passengers or receiving stores, supplies or fuel for such vessel.
- (3) With no cargo on board while lying idle at berth.
- (4) While undergoing repairs at berth.
- (5) When docking solely for bunkering fuel.
- (6) While receiving or discharging ballast or receiving stiffening.

(b) When no service charge is assessed against vessels engaged in Offshore trade, they will be charged half dockage rate.

\* Addition

(R) Reduction

Adopted March 8, 1937

Effective March 8, 1937

(Correction No. 262)

1452

Second Revised Page 24-

Cancels

First Revised Page 24-

Tariff No. 1

PORT OF OAKLAND

Item No.

DOCKAGE (Continued)

457

CHARGES ON VESSELS ENGAGED IN INLAND WATERWAY TRADE:Full Dockage Rate:

Vessels, other than lighters, engaged in inland waterway trade will be charged full dockage rate of 2 cents per ton per day of twenty-four hours or part thereof, for the first 200 net registered tonnage, or under-deck tonnage measurement of vessels, as provided for in Item No. 446 and 3/4 cents for each additional ton when occupied as specified below:

- (1) Vessels docking at a wharf and discharging or taking on passengers and baggage.
- (2) Vessels docking at a wharf while lying idle.
- (3) Vessels that are engaged in towing.
- (4) Vessels engaged in carrying passengers only.
- (5) Vessels carrying neither freight nor passengers.

460-A

CHARGES ON LIGHTERS:

(a) Lighter dockage rate is 1 cent per ton net tonnage per day of twenty-four hours or part thereof.

(b) A lighter is understood to be a vessel which has neither power nor steering equipment; however, watercraft engaged exclusively in stevedoring, rigging or hoisting will be granted lighter rates.

Exception: Lighters may be docked at such non-operative facilities in the harbor as may be designated by the Port Manager, at 50% of the rates named in this Item, provided such lighters are berthed for not less than 30 consecutive days.

470

OBSERVANCE MULTIPLE OF FIVE:

When per item dockage of a vessel is not a multiple of five it must be reduced or increased, as the case may be, to the nearest such multiple, provided, that if it be equally near to two such multiples, it must be increased to the first such multiple above.

Adopted March 8, 1937

Effective March 8, 1937

(Correction No. 263)

2445

Suriff No. 1

PORT OF OAKLAND

Original Page 24-B

Item No.

DOCKAGE (Continued)

475-B

**VESSELS SHIFTING, MOVING AND RETURNING DURING DOCKAGE PERIOD:**

(a) When a vessel of any kind is charged dockage at a wharf for a full day of 24 hours, she may use the same or any other wharf operated by the "Board" or under lease from the "Board" during that day without further charge, no matter how often she may leave and return, provided the master of the vessel obtains a transfer slip from the operator of the terminal at which the vessel first berths.

(b) When a vessel is shifted directly from one wharf to another wharf and dockage is charged for on a period of sixths of days, the total time at such berths will be considered together in computing the dockage charge.

477

**RATES WHEN A VESSEL CHANGES POSITION:**

When a vessel changes her status whereby she is entitled to a different dockage rate, the dockage rate in effect at the time the changed status takes place shall continue to be charged until the expiration of the time period during which such change takes effect and subsequent time shall be charged at the changed rate.

Adopted March 8, 1937

Effective March 8, 1937

(Correction No, 264)

2446

1154

Fifth Revised

Cancels

Fourth Revised

Tariff No. 1

PORT OF OAKLAND

## TOLLS

RATES IN CENTS PER 2000 LBS. OR 40 CUBIC FEET AS PER  
VESSEL'S MANIFEST, UNLESS OTHERWISE SPECIFIED

Item No.	Commodity	Inland Waterway	Coastwise
485-B	All cargo, N.O.S., including vessel's stores and supplies, per ton. 400 lbs. or less 800 lbs. or less, and more than 400 lbs. 1,200 lbs. or less, and more than 800 lbs. 1,600 lbs. or less, and more than 1,200 Under 2,000 and more than 1,600 lbs.  Note: The above subdivision applies when cargo is moving on either a weight or measurement basis	(R) 10 (R) 2 (R) 4 (R) 6 (R) 8 (P) 10	15 3 6 9 12 15
490-B	Automobiles and Vehicles, viz: Commercial Cars, Chassis, Passenger Cars, Trucks, and Truck Trailers, each	25	25
495-D	Commodities in bulk, viz: Ballast, Ores, Chalk, Pyrites, Clay, Rock, Cliffstone, Salt, Gravel, Sand, Nitrates, Sulphur, Zinc Concentrates: When handled direct between vessels or barges and cars, or trucks When deposited on terminal facility  Ballast, Gravel, Rock and Sand, in bulk, When handled at non-operative facilities	       (R) 10 (R) 10  5	       15 15  5
505-A	Brick, viz: (Per 1,000) (a) Brick, N.O.S. (b) Brick, fire, wt. 3 lbs. or over Per 1,000 (c) Brick, fire wt. under 3 lbs. Per 1,000	20  25 18	20  25 15
515-B (E)	Containers, empty when returned to owner who previously paid tolls on same to this "Board" when they were shipped with commodities over the Municipal facilities	(R) Free	(R) Free
520	Fuel, bunker, when for use of vessel to which delivered, per 2,000 lbs.	5	5

Adopted March 25, 1940  
Correction No. 359

Effective March 25,  
(Except as noted.)

(E) Effective March 11, 1940

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Second Revised Page 26

## TOLLS (Continued)

RATES IN CENTS PER 2000 LBS. OR 40 CUBIC FEET AS PER  
VESSEL'S MANIFEST, UNLESS OTHERWISE SPECIFIED

	Commodity	Coastwise & Inland Waterway	Onshore
A	Livestock, per head		
	Cattle, Horses and Mules	15	25
	Colts and Calves under a year old	7 1/2	12 1/2
	Hogs	3	5
	Sheep	3	5
A	Lumber and Lumber Products, viz:		
	Laths, per 50 bundles	20	40
	Hardwood Lumber, All kinds, per M.F.B.M.	30	60
	Softwood Lumber, including dunnage and ship's lining, per M.F.B.M.	20	40
	Piling & Poles, each	16	28
	Lumber & Lumber Products, N.O.S. per M.F.B.M.	20	40
	Petroleum and petroleum products		
	(6.6 lbs. to gal. in absence of wt.)		
	handled through pipe line	5	15
	Oils, crude, fuel, gas, vegetable		
	(7.4 lbs. to gal. in absence of wt.)		
	handled through pipe line	5	15
	Petroleum Products, in barrels, drums and cases	15	25
	Water for vessels - Per 100 cu. ft.	5	6
	Cargo which has been assembled at a terminal in Oakland or Alameda for outbound movement by vessel, and upon which a full toll based on the rate applicable to the trade in which the cargo is to move, has been assessed in accordance with the provisions of the tariff of such Oakland or Alameda terminal, and is then transferred to a municipal terminal for loading to vessel	(R) 10	(R) 10
	Cargo discharged from a vessel at a municipal terminal and then transferred to another termi- nal in Oakland or Alameda to be delivered for account of the vessel, and upon which a full toll based on the rate applicable to the trade in which the cargo has moved, is to be assessed in accordance with the provisions of the tariff of the terminal to which the cargo is trans- ferred	(R) 10	(R) 10

# Addition

(R) Reduction

May 27, 1940  
Section No. 362)

Effective May 27, 1940

Tariff No. 1		PORT OF OAKLAND		Twenty-third Revised Page Cancels	Twenty-second Revised Page
STORAGE NOTE - RATES IN CENTS PER 2000 LBS. PER DAY INCLUDING SUNDAYS AND HOLIDAYS, UNLESS OTHERWISE SPECIFIED					
Item No.	Commodity				
540-A-	All freight, N.O.S.				
541 -	Beans, dried (See Exception) Exception: When beans are held on wharf demurrage for period be- yond which a total of \$1.00 per ton of 2000 lbs. has been as- sessed within a season, no further charge will be made for that season. Under this provision "season" ends August 31st next.				
542 -	Box Shook				
543 -	Board, Wall, N.O.S. and Veneer, N.O.S.				
# 544 -	Fertilizers, viz: Ammonia Phosphate      Nitrates      Sulphate of Potash Sulphate of Ammonia      Phosphates      Urea and other chemical or Cyanamid      Potash      prepared fertilizers				
* 545-J-	Apricot Kernels      Cotton      Dried Peas      Sugar Canned Goods, in cases      Dried Fruit      Rice Compounds, viz: Cleaning, Scouring and Washing, in packages) for outbound movement via vessel				
546 -	Excelsior, in bales				
547 -	Grain				
548 -	Hops, in bales				
549 -	Iron and Steel, when not stored in shed				
550-B-	Lath, per 60 bdls.				
555-C-	Lumber (Softwood), per M.F.B.M.				
# 556 -	Moss, Peat or Sphagnum				
557 -	Motor Vehicles, on wheels				
* 560-A-	Nitrates      Cancelled - See Item 544				
# 562 -	Oil Cake and Oil Cake Meal				
563 -	Paper and Paper Articles, viz: Bags; Boxes, fibro, K.D., folded; Envelopes; Tissue, N.O.S.; Wrapping Paper; Napkins; Towels				
565-A-	Pipe (Iron or Steel) when not stored in shed				
* 570-A-	Potash      Cancelled - See Item 544				
571 -	Potatoes; Onions				
* Change	# Addition	(A) Increase	(R) Reduction		
Adopted June 27, 1938 (Correction No. 315)				Effective July 7, 1938	

No. 1		Seventh Revised Page 27-A Cancels Sixth Revised Page 27-A
PORT OF OAKLAND		
STORAGE		
RATES IN CENTS PER 2000 LBS. PER DAY INCLUDING SUNDAYS AND HOLIDAYS, UNLESS OTHERWISE SPECIFIED		
No.	Commodity	Cents
	Sand	30
	Sand -- Transferring to storage pile, per 2000 lbs.	1
	Seeds and Nuts for Oil pressing purposes	1
	Scrap Iron and Steel, when not stored in shed	10
5-B	Shingles, per 40 bdls.	3
	Sisal, in bales	10
6-A	Soda Ash	1
	Steel Sheets	1
	Tin Plate	1
7-A	Tomato Puree (Pulp) and Paste, packed 5/10s per case When Season Wharf Demurrage rate is requested by shipper at time of delivery of merchandise to the terminal, the rate for the season commencing on and after August 15th and ending March 1st next, is (A) 22 cents per case, payable in advance.	5 3
8-B	Wool, in bags Wool, in bales	5 3
STORAGE RATES ON BONDED MERCHANDISE		
9-A	Except as otherwise provided, the rates for bonded storage will be on basis of 50% greater than the rates shown in Items 540 to 586, inc. Exception - Rise from Mexico Any charge made by the Collector of Customs in connection with re- ceiving and/or delivering goods from bonded section will be for ac- count of the party for whom the service is performed.	14
SPACE RENTAL APPLICABLE AT TERMINAL BUILDING "C" OUTER HARBOR TERMINAL		
	Rental of space without labor or other services, per month or fraction thereof	3¢ per sq. ft.
10-1	EXTRA CHARGE FOR HIGH PILING: When at the request of owner, goods which are unloaded from car or truck by the Board's employees are piled over 12 feet high in order to conserve space, a charge of five cents per ton will be assessed against the entire lot, in addition to the regular un- loading charge named in this tariff.	
	Transferring cargo from Terminal Bldg. "C" to wharves at Outer Harbor Terminal, or vice versa, when performed by the Board	60¢ per 2000 lbs
(A) Increase		
May 27, 1940 Resolution No. 369)		Effective June 15, 1940

Tariff No. 1

PORT OF OAKLAND

Item No.

LOADING AND UNLOADING

RULES

590-A-

Rates apply only in connection with box or flat cars, except where otherwise noted. Rates will also apply to trucks when the loading or unloading is performed by the terminal.

595-A-

Except where specifically provided, the rates named herein are not applicable to commodities discharged from or loaded into gondola cars to or from dock. When such service is performed the basis of charge shall be cost plus 20 per cent, subject to minimum charge based on rates applicable to box or flat cars.

600-A-

Actual cost will be charged for all dunnage, stakes, bolsters, wire, etc., or bracing used in loading cars, also for paper used when it is necessary to line cars. Cost plus 20% will be charged for time of men employed in placing dunnage, bracing, lining, etc. These charges are in addition to charges named in individual items covering loading and unloading services.

602 -

Should it be necessary to use outside heavy lift equipment to load or unload cargo, the actual amount of the charge assessed against the Board for use of such equipment, plus necessary labor at actual cost plus 20%, will be billed by the Board, in lieu of the rates named in individual items for such services, to party for whom such service is performed, provided the amount of the charge on this basis exceeds the amount of the charge based on rates named in individual items.

605 -

The word "Direct" as used means a continuous operation, to or from car or ship, performed by ship's stevedores.

610-A-

Rates named do not apply for loading mixed cars of ten or more commodities per car. Rate for loading such cars shall be (A) 95¢ per ton.

(A) Increase

Adopted January 20, 1936  
(Correction No. 213)

Effective January 20, 1936

NOTE - RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED

2452

Tariff No. 1

PORT OF OAKLAND

Eleventh Revised Page 10

LOADING - (Continued)

APPLICABLE TO ALL TRAFFIC EXCEPT COASTWISE AND CANADIAN PACIFIC COAST PORTS

NOTE - RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED

Item No.	Commodity	
692-A-	BRICK, in packages or on skids	
695-B-	BROODERS & INCUBATORS	
700-C-	CABLE, N.O.S. (a) On reels, except as shown in (b) and (c) (b) On reels, each weighing over 10,000 lbs., but not over 20,000 lbs. See Note 1 (c) On reels, each weighing over 20,000 lbs. See Note 2 Note 1 - Plus \$1.00 per reel, for heavy lift. Note 2 - Plus \$2.00 per reel, for heavy lift.	
705-B-	CABLE, direct from ship to open car: On reels, each weighing not over 4,000 lbs. On reels, each weighing over 4,000 lbs., Minimum rate 45¢ per ton	
710-B-	CANS, N.O.S., in cases or crates	
715-B-	CANS, Milk or Ice	
720-C-	CANNED GOODS, N.O.S.	
730-B-	CARBIDE	
735-B-	CARPETS AND RUGS, except Linoleum Rugs	
740-B-	CARS, Dump	
745-C-	CEMENT, ASBESTOS or MAGNESIUM CEMENT, Foreign CEMENT, N.O.S.	(A)
*750-B-	CHALK, in bulk, direct from vessel to open car CHALK, in bulk, direct from vessel to box car	
760-B-	CHARCOAL, N.O.S., in sacks CHARCOAL, Ground, in sacks	
765 -	CHEMICALS, N.O.S.	
775 -	CIGARS & CIGARETTES - See "tobacco"	
780-A-	CLAY, in bulk, direct from vessel to open car	
785-A-	CLAY, in bulk, direct from vessel to box car	
790-B-	CLAY, ground, in packages	

• Change

Addition

(A) Increase

Adopted May 22, 1939

Effective May 22, 1939

(Correction No. 343)

Seventh Revised Page 31

Cancels

Sixth Revised Page 31

Tariff No. 1

PORT OF OAKLAND

LOADING - (Continued)

APPLICABLE TO ALL TRAFFIC EXCEPT COASTWISE AND CANADIAN PACIFIC COAST PORTS

NOTE: - RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED

Item No.	Commodity	Cents
795 B	CLOTHES PINS	100
800 B	COAL, in sacks	50
	COAL, in Bulk, direct to open car	15
805 B	COFFEE, green, in bags	50
	COFFEE, roasted, in cans, boxed	50
810 A	COKE, direct to open car	15
	COKE, to closed car	75
820 B	CONDUIT PIPE, fibre	125
825 B	CONTAINERS, set up, viz.: Drums & Bbls., capacity 30 gallon or over Drums & Bbls., capacity less than 30 gallon Boxes, wooden, Minimum rate 95¢ per ton	each 5 125 CP 20%
830 C	COPRA, in sacks	50
*835 B	COPRA, in bulk to box cars: Hand shoveled .... Direct from vessel to car with pneumatic machinery	70 125
840 B	CORN AND CORNBOARD	100
845 B	COTTON; COTTON LINTERS, in bales	55
850 B	CROCKERY or POTTERY	100
*855	CYLINDERS	each 5
860	DRUMS, empty - See "Containers"	
862 C	EARTH, FULLERS, in sacks EARTH, FULLERS, in sacks, ex vessel direct to open car EARTH, FULLERS, in sacks, ex vessel direct to box car	55 35 50
865 C	ELECTRICAL GOODS: Batteries Carbon Electrodes Electric Goods, N.C.S. Insulators, in straight carload lots Transformers, not over 10000 Transformers, over 10000, Minimum rate 60¢ per ton	85 55 85 60 60 CP 20%
870 A	EARthenWARE	100
875 C	ENAMELED WARE AND SHEET STEEL WARE	80
878 A	EXCELSIOR, in bales	100

\* Change

\* Addition

Adopted February 20, 1939  
(Correction No. 331)

Effective February 20, 1939

Tenth Revised Ed.  
Cancels

Ninth Revised Ed.

Tariff No. 1

PORT OF OAKLAND

LOADING - (Continued)

APPLICABLE TO ALL TRAFFIC EXCEPT COASTWISE AND CANADIAN PACIFIC COAST PORTS

NOTE - RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED

Item No.	Commodity	
880	EXTRACTS, other than edible, in bbls. or drums	
890-C-	FELDSPAR OR FLUORSPAR, in bulk, ex vessel direct to open car	
	FELDSPAR OR FLUORSPAR, in bulk, ex vessel direct to box car	
895-B-	FELDSPAR OR FLUORSPAR, in containers	
900-A-	FERTILIZER & FERTILIZER MATERIALS, in pkgs.	
905-B-	FIREWORKS - Foreign	
	- Domestic	
910-B-	FLOUR, N. O. S. in bags	
	FLOUR, Wood	
913-B-	FRUIT, dried	
915-C-	FURNITURE, Minimum rate 55¢ per ton	CP 2
	FURNITURE, Rattan or Bamboo	150
920-B-	GLASS AND GLASSWARE, VIZ.: Bottles, Jars & Jelly Glasses	
	Glassware, N.O.S.	
	Glass, window	
	Glass, plate, Minimum rate \$1.20 per ton	CP 2
925-B-	GLYCERINE, in drums	
935-C-	GREASE, N.O.S.	
938 -	GUMS, ORIENTAL: RESIN	
940-B-	HANDLES, Pick, Shovel, Axe, etc.	10
945-B-	HARDWARE, N.O.S.	
	HARDWARE, Builder's	
950-C-	HEMP; SISAL; FIBRE, N.O.S.	
955-C-	HIDES, Green, in bundles	
	HIDES, N.O.S. or Skins, in bbls.	
	HIDES, N.O.S. or Skins, loose, Minimum rate 75¢ per ton	CP 2
965-B-	HOUSEHOLD GOODS, Minimum rate 75¢ per ton	CP 2
970 -	IMPLEMENTS, Agricultural, VIZ.: Hand, Set up or knocked down	
	Other than hand, set up, Minimum rate \$1.10 per ton	CP 2
	Other than hand, knocked down	11
973 -	INSECTICIDES, N.O.S.	(A)
975-B-	INSTRUMENTS, Musical	11

#Addition

(E) Reduction

Adopted September 3, 1940  
(Correction No. 373)

Effective September 9, 1940

Eighth Revised Page 33  
 Cancels  
 Seventh Revised Page 33  
 PORT OF OAKLAND  
 LOADING - (Continued)  
 APPLICABLE TO ALL TRAFFIC EXCEPT COASTWISE AND CANADIAN PACIFIC COAST PORTS  
 NOTE - RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED

In No.	Commodity	Cents
40-E	IRON AND STEEL ARTICLES, Viz.:	
	Iron and Steel, M.O.S.	60
	Bars, not greased	55
	Bars, greased, M.O.S.	75
	Bars, oiled or greased, boxed or completely burlapped	(R) 55
	Bolts and Nuts	55
	Castings, finished, weighing less than 2000 lbs. each	70
	Castings, finished, weighing 2000 lbs. and over, Min. rate 70¢ per ton	CP 20%
	Fittings, pipe, wrought iron, in containers	55
	Fittings, pipe, wrought iron, in bundles or loose	75
	Grinding balls, in bulk or sacks, direct to open car	15
	Hoop, N.O.S.	55
	Hoop, direct to box car	40
	Lath, metal	110
	Pig iron	55
	Pig iron, direct to gondola car	15
	Pipe, direct to open car	35
	Pipe, N.O.S.	80
	Plate, under 500 lbs. per piece, to box or flat car	60
	Plate, over 500 lbs. per piece, to box or flat car, Minimum rate 60¢ per ton	CP 20%
	Plate, direct to open car	35
	Rails, elevator	100
	Rails, elevator, direct to open car	35
	Rivets	55
	Rods, bent	85
	Shaftings	75
	Sheet, loose, or in packages	45
	Steel, direct to open cars	35
	Steel, large, over 500 lbs., Minimum rate 60¢ per ton	CP 20%
	Steel, structural, over 500 lbs. per piece, from dock Minimum rate 60¢ per ton	CP 20%
	Tubes, boiler	100
	Tubes, boiler, direct to open car	35
	Wire, M.O.S., in coils, barrels or cases	45
	Wire, direct to car	35
	Wire, barbed	60
	Wire, on reels, not over 4000 lbs. per package	55
	Wire or Wire Rope on reels, over 4000 lbs. per package, Minimum rate 60¢ per ton	CP 20%
	Wire, in rolls; Fencing; Reinforcement, etc.	85
46	CRIBBING STEEL	75

(R) Reduction

Adopted September 3, 1940  
 (Correction No. 374)  
 Effective September 9, 1940

Tariff No. 1		PORT OF OAKLAND	Ninth Revised Page 14 Cancels Eighth Revised Page 14
LOADING - (Continued)			
APPLICABLE TO ALL TRAFFIC EXCEPT COASTWISE AND CANADIAN PACIFIC COAST PORTS			
NOTE - RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED			
Item No.	Commodity		Cents
(1) 990-B-	JUNK ROPE		65
(1) 995-C-	KAPOK		50
(1) 1000-B-	LABELS		50
1002 -	LAMPS, incandescent, Minimum rate \$1.25 per ton		CP 20
1006-B-	LANTERNS		85
1010-A-	LARD AND LARD SUBSTITUTES		50
1012-A-	LIME AND LIMESTONE, PHOSPHATIC, in packages		50
1015-C-	LINOLEUM; LINOLEUM RUGS; FELT BASE FLOOR COVERING AND OILCLOTH; In Crates In Rolls or Tubes		65 75
1016-	LITHARGE, in bbls. or drums		50
1017-B-	LITHOPONE, in packages		50
1020-B-	LUMBER Hardwood, Minimum rate \$1.75 per ton Pine or Redwood, per 1000 ft. B.M. Timbers, N.O.S., Minimum rate \$1.00 per 1000 ft. B.M. LUMBER, direct to open cars, per 1000 ft. B.M.		CP 20 175 CP 20 55
1030-B-	MACHINERY, not over 2000 lbs. per package		110
1035-B-	MACHINERY, N.O.S., Minimum rate \$1.10 per ton		CP 20
1040-A-	MACHINERY, not over 4000 lbs. per pkg., direct to open cars		35
1045-A-	MACHINERY, over 4000 lbs. per pkg., direct to open cars, Minimum rate 35¢ per ton		CP 20
1050-B-	MACHINES, Sewing		100
1055-B-	MACHINES, Washing		100
1057 -	MALT, in bags		40
1060-A-	MARBLE AND GRANITE, direct to open car When earloading is performed by heavy lift barge, and no additional charge is made by heavy lift barge for such service, earloading rate is twenty cents per ton for supervision, plus any expense for staking, wiring, etc.		10
1065-B-	MATCHES, in cartons and cases		45
1075-D-	MEAL, Viz.: Alfalfa, Bean, Bone, Ivory, Manioc, Oil Cake Fish Meal		50 62
(1) Transferred from Seventh Revised Page 33			
Adopted September 3, 1949		Effective September 9, 1949	
(Correction No. 375)			

Tariff No. 1

PORT OF OAKLAND

Ninth Revised Page 34

Cancels

Eighth Revised Page 35

LOADING - (Continued)

APPLICABLE TO ALL TRAFFIC EXCEPT COASTWISE AND CANAL AND PACIFIC COAST PORTS

NOTE - RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED

Item No.	Commodity	Rate
1080-B-	MERCHANDISE, N.O.S. (a) In straight lots, or in mixed lots of less than ten (10) commodities (b) In mixed lots of ten (10) or more commodities	80
1085-B-	MERCHANDISE EX ORIENT, N.O.S.	150
1095-B-	NAILS, iron or steel	50
1096-A-	NAPKINS & PADS, Sanitary	140
1097 -	NUTS, Viza Non-edible, in bags Edible, shelled, in bags Edible, Unshelled, in bags Edible, shelled, in cases or bbls.	50 50 50 75
1098-B-	OCHE, in sacks or bbls.	50
1100-B-	OIL, N.O.S., in cases, barrels or drums OIL & OIL PRODUCTS: petroleum, in cases, bbls. or drums	70 70
1105-B-	OIL, palm, in casks weighing 1500 lbs. or over	75
1115-A-	ORE, in bulk, direct to open car	15
1116-B-	ORE, in sacks ORE, Manganese, direct to open car	35 35
1120-B-	PAINTS & VARNISH	55
1125-F-	PAPER AND PAPER ARTICLES, Viza: Bags Boxboard, Pulpboard or Strawboard, not corrugated Boxboard, Pulpboard or Strawboard, corrugated Boxes, K.D., or folded flat, in bbls. or crates Boxes, S.U. Building or Roofing, in rolls Dishes and Pie Plates Fillers, Plats and partitions, flat Newsprint, in rolls Paper, N.O.S., in rolls Paper and Paper Articles, N.O.S. Scrap, in bales Tissue, Toilet or Towels Wall Paper	40 65 100 70 100 20 100 10 20 20 20 100 100

\*Change

Adopted February 20, 1939

Effectively February 22, 1939

(Correction No. 333)

Tariff No. 1		PORT OF OAKLAND	Seventh Revised Page Cancels Sixth Revised Page
LOADING (Continued)			
APPLICABLE TO ALL TRAFFIC EXCEPT COASTWISE AND CANADIAN PACIFIC COAST PORTS			
NOTE - RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED			
Item No.	Commodity		
1140-B-	PIANOS, Min. 95¢ per car		
1145-A-	PITCH		
1150-B-	PLASTER		
1155-B-	PLUMBING GOODS: Viz.: Bathtubs Sanitary Merchandise		
1160-B-	POLES, Bamboo		
1163 -	POTASH, Muriated, in bulk, ex vessel, direct to open car POTASH, Muriated, in bulk, ex vessel, direct to box car		
1165-B-	POTASSIUM, Cyanide		
1170-B-	PULP; Wood PULPBOARD, in rolls weighing 750 lbs. or more		
1175-B-	PUMPS		
#1177	PYRETHRUM FLOWERS, in bales		
1180-B-	RADIATORS, Heating		
1185-B-	RAGS, N.C.S.		
1190-B-	RAGS (Oriental)		
1195-B-	REFRIGERATORS AND REFRIGERATOR MACHINE UNITS		
1205-A-	RICE, in sacks or mats		
1210-B-	ROPE		
1215-A-	ROSIN		
1220-B-	RUBBER, in bales or cases		
1225-A-	SAND, in bulk, ex vessel, direct to open car SAND, in bulk, dock to open car		
#Addition	(R) Reduction		
Adopted May 22, 1939 (Correction No. 347)		Effective May 31,	

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Eighth Revised Page 37

Cancels

Seventh Revised Page 37

No. 1

PORT OF OAKLAND

LOADING - (Continued)

APPLICABLE TO ALL TRAFFIC EXCEPT COASTWISE AND CANADIAN PACIFIC COAST PORTS

NOTE - RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED

No.	Commodity	Cents
30-B-	SCALMS (Platform) and HAND TRUCKS	100
31-D-	SEED, N.O.S., in bags	(A) 50
	SEED, Beet, in bags	60
32-B-	SHELLS, Oyster, in sacks	45
35-B-	SHINGLES, Asbestos	.55
40-B-	SHINGLES, Wooden	90
45-B-	SHOVELS	125
50-B-	SLATE, in crates	60
	SLATE, in bags	55
55-B-	SLATE, in bulk, Min. 95% per ton	CP 20%
70-B-	SOAP, in bars, chips, liquid or powdered, in bbls, boxes or cartons	60
75-A-	SOAP STOCK, N.O.S., in bbls. or drums	50
80-B-	SODA ASH, in sacks +	.55
	SODA ASH, in drums	50
85-C-	SODA, Bicarbonate of	55
	SODA, Caustic	50
90 -	SODA, Nitrate of, direct from vessel to car	40
97 -	SOLVENT, in bbls. or drums	50
98 -	SPICES, N.O.S., in bulk in bags or cases	55
99-B-	STAPLES	55
01 -	STERIC ACID or STERINE, in bags or bbls.	(R) 55
02 -	STONE, Cliff, in bulk direct from vessel to open car	15
	STONE, Cliff, in bulk, direct from vessel to box car	45
05-B-	STOVES	100
10-B-	STUCCO	50
15-B-	STUCCO PLASTER ROLLS	85

Edition

(A) Increase

(R) Reduction

Opted May 22, 1939

Effective May 22, 1939

Correction No. 348)

Tariff No. 1

PORT OF OAKLAND

Eleventh Revised Page  
Cancels  
Tenth Revised Page

## LOADING - (Continued)

APPLICABLE TO ALL TRAFFIC EXCEPT COASTWISE AND CANADIAN PACIFIC COAST PORTS

NOTE - RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED

Item No.	Commodity	Cent
1310-B-	SUGAR	50
1315-B-	SULPHUR, in sacks	30
	SULPHUR, direct to box car	35
	SULPHUR, in bulk, direct to open car	15
1323	SUPERPHOSPHATE:	
	Direct to box car	50
	Direct to open car	15
1325-B-	TALLOW, or ANIMAL GREASE, in barrels	50
	TALLOW, Vegetable, in bales, to ordinary box car	55
	TALLOW, Vegetable, in bales, to refrigerator car	60
1330-B-	TANK MATERIAL, wooden, Minimum rate 95¢ per ton	CP 20
1332-A-	TAR, Coal, in barrels	50
1335-C-	TEA	115
1340-C-	TIN, Viz:	
	Can Ends	50
	Foil	50
	Pig	50
1345-E-	TIN PLATE, N.C.S.	50
	TIN PLATE, Discharged from vessel direct to car	25
1355-B-	TIRES, rubber, solid	60
1360-B-	TIRES, Rubber, Pneumatic, loose, unwrapped	100
1365-B-	TIRES, Rubber, Pneumatic, wrapped or in bundles	30
*1367-B-	TITANIUM DIOXIDE, or TITANIUM PIGMENTS, in barrels or bags	50
1370-B-	TOBACCO, Manufactured, including cigars and cigarettes	20
	TOBACCO, in bales	2
1385-B-	TOYS, Minimum rate 75¢ per ton	CP 20
1390-	TRACTORS, direct to open car	40
1395-B-	TRACTORS, Minimum rate 75¢ per ton	CP 20
1397-	TRISODIUM PHOSPHATE, in bags	55
1402-B-	TURPENTINE, in drums	50

• Change

Adopted November 7, 1938  
(Corroction No. 318)

Effective November 21, 1938



1170

Tar. ff. No. 1		PORT OF OHLAND	Eighth Revised Page 40 Cancels Seventh Revised Page 40
UNLOADING APPLICABLE TO ALL TRAFFIC NOTE - RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED			
Item No.	Commodity	Cents	
1450-B-	ALFALFA MEAL, N.O.S.	50	
	ALFALFA MEAL, direct from car to ship	20	
1454 -	AMMONIA, in cylinders	50	
	AMMONIA, Sulphate of	40	
1460-B-	ASPHALT, in bags, bbls. or drums	50	
1465-D-	AUTOMOBILES, including Auto Bodies and Chassis, Minimum rate \$1.05 per ton	CP 20	
	AUTOMOBILES, boxed, direct to ship	40	
	AUTOMOBILE PARTS, in boxes or crates	60	
1468-A-	BARIUM PEROXIDE	50	
• 1470-D-	BARLEY, rolled, in sacks	(R)	50
	BARLEY, N.O.S.: Oats, in sacks		50
	BARLEY, direct from car to ship		20
1475-B-	BARYTES	40	
1480-A-	BEANS: LENTILS: PEAS, in bags	45	
1484 -	BEER, in bottles or cans	60	
1487 -	BET PULP, in sacks	40	
	BET PULP, direct from car to ship	30	
1490-A-	BONE BLACK AND BONE CHARCOAL	50	
1495-B-	BRICK, fire, in cases or crates	45	
1500-B-	BROODERS AND INCUBATORS	125	
1503-A-	CAKE OR MEAL, Oil, N.O.S.	50	
	CAKE OR MEAL, Oil, direct from car to ship	20	
1505-A-	CANNED GOODS, N.O.S.	50	
1510 -	CASEIN	40	
1520-B-	CEMENT, N.O.S.	50	
1525-B-	CEMENT, Asbestos	60	
1530-A-	CHEMICALS, N.O.S.	60	
1531 -	CLEANING AND WASHING COMPOUND	35	
• Change		(R) REDUCTION	
Adopted December 13, 1937		Effective December 27, 1937	
(Correction No. 304)			

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Thirteenth Revised Page 41

Cancels

Duff No. 1

PORT OF OAKLAND

Twelfth Revised Page 41

UNLOADING - (Continued)  
APPLICABLE TO ALL TRAFFIC

NOTE - RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED

Item No.	Commodity	Cents
1535-	CONTAINERS, empty, S.U., Viz.: Barrels and Drums	Each 5
1537-A-	COPPER, in slabs, pigs or mats	35
	COPPER, in slabs, pigs or mats, direct from car to ship with ship's tackle	10
1547-B-	*COPRA, in bulk, direct from box car to vessel with pneumatic machinery	(R) 12 1/2
	COPRA, in sacks	50
1550-B-	COTTON OR COTTON LINTERS	40
1555-A-	CULVERTS, direct from open car	40
1560-B-	CULVERTS, Minimum rate 50¢ per ton	CP 20%
1563-	EARTH, Infusorial	50
1565-A-	ENAMELWARE, Household	75
1570-B-	FERTILIZER AND FERTILIZER MATERIAL	50
1575-B-	FISH MEAL, N.O.S.	50
	FISH MEAL, direct from car to ship	20
1577-C-	FLOUR, in single bags, N.O.S. weighing each over 24 lbs.	55
	FLOUR, in double bags or bales	40
	FLOUR, in single jute bags; cans crated or cased	50
1580-A-	FRAMES, Window, Wooden or Metal, Minimum rate \$1.05 per ton	CP 20%
1585-A-	FRUIT, dried; In cases	50
	In sacks	45
1590-B-	FRUIT, fresh	60
1595-B-	GLASSWARE, Viz.: Bottles, Jars	65
1596-	GLUESTOCK, in bales	50
1597-	GLYCERINE	50
1600-C-	HAY	65
1605-C-	HIDES, Green, Salted, in bds.	75
	HIDES, dry, Minimum rate 60¢ per ton	CP 20%
1608-A-	HONEY, in tins, in cases	50
1610-B-	HOPS	50
1615-A-	INSECTICIDES, N.O.S.	50

\* Change      # Addition      (R) Reduction

Adopted March 11, 1940  
(Correction No. 358)

Effective March 11, 1940

2464



Tariff No. 1

PART OF SCHEDULE

Ninth Revised Page 43

Cancels

Eighth Revised Page 43

UNLOADING - (Continued)

APPLICABLE TO ALL TRAFFIC

RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED

Item No.	Commodity	Cents
1667-A-	NUTS, Viz.: Edible, shelled, in bags Edible, unshelled, in bags Edible, unshelled, in bbls. or cases Non-Edible, in bags	50 60 75 80
1670-A-	OIL, in cases, bbls. or drums	50
1675-A-	OIL PRODUCTS, Viz.: Petroleum, in cases, bbls. or drums	50
1678-A-	ONIONS, in packages	50
1680-C-	ORE, in sacks ORE CONCENTRATES, in drums	40 50
1685-B-	PAINT, VARNISH AND DRYERS	50
1690-D-	PAPER AND PAPER ARTICLES, VIZ.: Fibreboard cartons, M.D., and parts thereof Pulpboard and Strawboard Roofing Paper, in rolls Paper, N.O.S. Tissue, Toilet and Towels	45 45 50 50 75
1692 -	PEAS, dried, in sacks	45
1695-B-	PENCIL SLATS	50
1700-B-	PLUMBERS' MATERIAL	80
1705-A-	POTASH	50
1708-A-	POTATOES, in packages	50
1710-B-	RADIATORS, scrap	140
1715-B-	REELS, empty	75
1717 -	REFRIGERATORS	100
1720-B-	RICE, in Mats RICE, in Sacks	60 45
1725-A-	RICE HULLS	60
1727-B-	SALT, in bags, or cases	40
1730-B-	SALT CAKE, in sacks	45
1735-B-	SCRAP RECORD MATERIAL, phonograph	40
1740-B-	SEEDS, N.O.S.	40
1743 -	SHELLS, (fruit pit) crushed or ground, in bags	(R) 50
1745-B-	SOAP	50

# Addition

(R) Reduction

Adopted May 27, 1940  
(Correction No. 370)

Effective June 15, 1940

1174

Tariff No. 1		PORT OF OAKLAND		Fifth Revised Pa Cancels Fourth Revised Pa
UNLOADING - (Continued) APPLICABLE TO ALL TRAFFIC				
NOTE - RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED				
Item No.	Commodity			Cent
1746-A-	SODA, Caustic and Bicarbonate of.			50
1748-B-	SODA, Silicate of, in drums or sacks			50
1749-B-	SODIUM SULPHITE, in drums			50
1750-B-	STAVES (bbl.)			100
1755-B-	SUGAR SUGAR, direct from car to vessel			40 20
1760-B-	TALLOW			50
1765-B-	TANK MATERIAL, wooden, Minimum rate \$1.00 per ton		CP 20	
1775-B-	TIN PLATE			40
1780-B-	TIRES, Automobile, Minimum rate 75¢ per ton		CP 20	
1785-A-	TRACTORS, Minimum rate 50¢ per ton TRACTOR PARTS, in boxes, weighing not over 1000 lbs.		CP 20	50
1790-A-	TRACTORS, HARVESTORS AND ROAD GRADERS not over 4000 lbs. per pkg., direct from open car			40
1793-	VALVES, loose, in packages, or on skids weighing each not to exceed 3,000 lbs.			(A) 60
1794-	VEGETABLES, fresh, in crates, Min. rate 3¢ per crate		CP 20	
1795-B-	TRANSFORMERS, electric, each weighing over 1000 lbs. Minimum rate 75¢ per ton		CP 20	
1796-	WALL BOARD, in packages, over 500 lbs. weight or 6 ft. in length, Minimum rate 60¢ per ton WALL BOARD, in packages, not over 500 lbs. weight or 6 ft. in length		CP 20	60
1797-B-	WHEAT			50
1800-A-	TINE, in cases TINE, in bbls.			50 30
1805-B-	WIRE NETTING, in rolls			75
1810-B-	WOOL, sacked			45
1815-B-	WOOL, baled			40
1817 -	ZINC, Viz.: Dust; Oxide; Sulphate of			50
	Addition	(.) Increase		
Adopted February 20, 1939		Effective February 20, 1939		
(Correction No. 336)				

2467

1175

Fifth Revised Page 45

Cancels

Fourth Revised Page 45

Aff No. 1

PORT OF CASLAND

LOADING

APPLICABLE TO COASTWISE AND CANADIAN PACIFIC COAST PORTS TRAFFIC

NOTE - RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED

Item No.	Commodity	Cents
1820-	ALL FREIGHT, N.O.S.	52
1825-A-	ASPHALTUM	52
1830-	BARRELS, empty	each 5
1835-A	BEANS, dried	45
1840-	BOX BOARD	45
1845-A-	BOX SHOOKS AND CRATE MATERIAL (Under 8 ft. in length)	50
1850-	CANNED GOODS	45
1855-	CAP WHEELS	40
1860-A-	CEILITE OR INSULATOR EARTH	52
1865-A-	CEMENT, building	40
1870-A-	CEREAL FOOD PREPARATIONS (for human consumption)	45
1875-A-	CREOSOTE OIL	52
1880-A-	CROSS ARMS AND CROSS ARM BRACES: Untreated: To box car Direct from vessel to open car Treated: To box car Direct from vessel to open car	145 80 165 100
1885-	DRUMS, empty	each 5
1890-A-	FEED, ANIMAL OR POULTRY	45
1895-B-	FERTILIZER, N.O.S.	40
1900-A-	FLOUR, grain	30
1905-	FURNITURE	CP 20%
1910-A-	GRAIN, N.O.S., in sacks	30
1915-	GREASE	45
1917-	HAMPEES, Pea	(A) 110
1920-	HOUSEHOLD GOODS	CP 20%
1925-A-	IRON AND STEEL ARTICLES, viz.: Band, Bar, Pipe, Plate, Rod, Strip and Structural	CP 20%

Addition

(A) Increase

Adopted February 20, 1939

Effective February 20, 1939

Correction No. 337

Tariff No. 1

PORT OF OAKLAND

LOADING - (Continued)

APPLICABLE TO COASTWISE AND CANADIAN PACIFIC COAST PORTS TRAFFIC.

NOTE - RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED

Item No.	Commodity	Cents
1930-A-	LATH - To closed car LATH - Direct from vessel to open car	per 1000 45 per 1000 12 1/2
1935-A-	LIME, Common (Hydrated or Slack)	40
1940-A-	LUMBER - Dock to box car: Untreated, per M.F.B.M. Treated, per M.F.B.M.	145 165
1941-A-	LUMBER - Direct from vessel to open car: Untreated, per M.F.B.M. Treated, per M.F.B.M.	80 100
1945-	MACHINERY	CP 20%
1950-	MAGNESIUM	45
1955-	MALT	45
1960-	MARBLE SLABS	CP 20%
1965-	MATCHES	50
1970-A-	MEAL, viz: Bean, Oil cake Fish	45 62 1/2
1980-B-	OIL, viz.: Sea Animal or Vegetable	45
1983-	OIL, in bulk, direct from vessel through pipe line to tank car at loading rack - - - - - Per Car	500
1985-	ONIONS, dried	45
1990-	ORE, in sacks	45
1995-	PAINTS	45
2000-C-	PAPER AND PAPER PRODUCTS, viz.: Bristolboard, Boxboard, Pulpboard or Strawboard Boxes, K.D.F. Box Fillers, Liners and/or Partitions (including egg case fillers) Egg Carriers; Pails, nested Napkins, Tissue, Toilet, Towels	(R) 45 45 75 45 60
2005-	PETROLEUM AND PETROLEUM PRODUCTS	45

• Change

(P) Reduction

Adopted November 7, 1938  
(Correction No. 320)

Effective November 21, 1938

**Cancels**

Fourth Revised Page 47

PORT OF OAKLAND

LOADING - (Continued)

APPLICABLE TO COASTWISE AND CANADIAN PACIFIC COAST PORTS TRAFFIC  
NOTE - RATES IN CENTS PER 2000 LBS. UNLESS OTHERWISE SPECIFIED

Item No.	Commodity	Cents
2005 -	POTATOES	45
2010 -	PEAS	45
2015-A-	PIG LEAD	40
2020-A-	PLASTER, in packages	52
2025-A-	PULP, Wood	45
2030-B-	RAGS	52
2033 -	RUBBER, scrap, in bales	52
2035 -	SASH WEIGHTS	45
2040 -	SCOURING COMPOUND, in cases	45
2045 -	SHAKES	45
2050-A-	SHINGLES, wood per 1000	52
2053 -	SODA, Caustic, in packages	(R) 45
2055 -	STAVES and HEADINGS	50
2060 -	STUCCO	52
2065 -	TALLOW	45
2070 -	TIN PLATE	40
2073 -	WALL BOARD	45
2075-A-	WHEAT, in sacks	30

Adopted May 18, 1936

Effective May 18, 1936

Correction No. 227)

1178

<div> <div>Tariff No. 1</div> <div>PORT OF OAKLAND</div> </div>		<div> <div>Fifth Revised Page 48</div> <div>Cancels</div> <div>Fourth Revised Page 48</div> </div>
<div>LOADING AND UNLOADING</div> <div>APPLICABLE TO HAWAIIAN TRAFFIC</div>		
Item No.		
* 2084	-	CANCEL. See items 1417 or 1796 series.
* 2085	-	CANCEL. See items 1060 or 1655 series.
* 2086	-	CANCEL. See items 630 or 1465 series.
* 2087	-	CANCEL. See items 690 or 1655 series.
* 2088	-	CANCEL. See items 1020 or 1635 series.
* 2089	-	CANCEL. See item 720 series.
<div>* Change</div>		
<div>Adopted December 28, 1936</div>		<div>Effective January 1, 1937</div>
<div>(Correction No. 246)</div>		

Tariff No. 1	PORT OF OAKLAND	Second Revised Page 49 Cancels First Revised Page 49
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WEIGHING

NOTE - WHEN WEIGHING IS PERFORMED IN CONJUNCTION WITH LOADING OR UNLOADING UNLESS OTHERWISE SPECIFIED, 50% OF THE RATES NAMED HEREIN WILL APPLY. WHEN A COMMODITY IS NOT SPECIFICALLY NAMED, IT WILL BE RATED BY ANALOGY.

Item No.	Commodity	Rates in Cents	
		Per 2000 lbs.	Per Package
2095	Almonds, Shelled .....	50	
2100 A	Allspice, in bags .....	60	
2105 A	Alum, in barrels or cases .....	60	
2110 A	Aluminum, in packages .....	70	
2115 A	Aluminum (Pig) .....	100	
2120	Ampas .....	50	
2125 A	Antimony .....	60	
2130	Argols .....	75	
2135 A	Beans, in bags, N.O.S. ....	40	
	Beans, in bags, weighing each individual bag ..	1.00 (A)	
	Beans, in bags, repacking to uniform weight ...	2.00 (A)	
2140 A	Bone Meal .....	50	
2145	Bones, in sacks .....	75	
2150	Bran .....	50	
2155	Buckwheat .....	50	
2160 A	Camphor, in cases .....	85	
2165 A	Cassia, in bales or cases, collectively .....		6 each
	Cassia, in cases, individually .....		10 "
2180	Caustic Soda, in 700 lb. Drums .....		25 "
2185	Chestnuts .....	55	
2190	Chillies, in bags .....	100	
2195 A	Cloves .....	60	
2200	Coal, - Shipside Weighing .....	20	
2205	Cocoa Beans .....	50	
2210 A	Cocoanut, Dessicated, in cases, collectively ..		6 case
	Cocoanut, Dessicated, in cases, individually ..		10 "
2220 A	Coffee, N.O.S. (See Note, Item 2225)		
	In sacks, each weighing 105 lbs. or less ....		3½ sack
	In sacks, each weighing over 105 lbs. but not to exceed 165 lbs. ....		5 "
	In sacks, each weighing over 165 lbs. but not to exceed 200 lbs. ....		6 "
	In bales .....		6 bale

\* Change (A) Increase

Adopted April 29, 1940  
(Correction No. 360)

Effective May 16, 1940

Tariff No. 1

PORT OF OAKLAND

Second Revised Page

Cancels

First Revised Page

## WEIGHING - (Continued)

NOTE - WHEN WEIGHING IS PERFORMED IN CONJUNCTION WITH LOADING OR UNLOADING, UNLESS OTHERWISE SPECIFIED, 50% OF THE RATES NAMED HEREIN WILL APPLY. WHEN A COMMODITY IS NOT SPECIFICALLY NAMED, IT WILL BE RATED BY ANALOGY.

Item No.	Commodity	Rates in Cents	
		Per 2000 lbs.	Per Package
2225	Coffee (Santos) In sacks each weighing 101 lbs. and up to but not exceeding 134 lbs..... Note: When Coffee, M.O.S. and Coffee (Santos) is segregated and weighed according to four or more submarks, an additional charge of 2 cents per sack or per bale will be assessed.		4
2230	Copper, Pig .....	75	
2235 A	Copra, in sacks .....	50	
	Copra, in bulk, weighed on public truck scale at the Outer Harbor Terminal.....	(R) 5	
2245 A	Cotton, Cotton Linters or Raw Waste, in bales Weighing under 301 lbs. per bale .....		10
	Weighing 301 and not over 400 lbs. each .....		12
	Weighing over 400 lbs. each .....		25
2250 A	Currents, in barrels: 350 lbs. or less, individually .....		12
2255 A	Dates, in cases: Each case weighing 42 lbs. or less Each case weighing 80 lbs. or less Each case weighing over 80 lbs. but not exceeding 150 lbs.....		3
2270	Feathers, in bales .....		15
2275 A	Fertilizer, M.O.S. ....	50	
	Fish Stock in bales .....	70	
2280	Fruit, dried .....	50	
	When not re-piled .....	40	
2290 A	Garlic, in crates .....		5
2295 A	Ginger .....	60	
2297 B	Grain .....	30	
	When performed in conjunction with carloading or unloading - weighing included in loading or unloading charge.		

• Change

(R) Reduction

Adopted December 19, 1938

Effective December 19, 1938

2473 (Correction No. 325)

Fifth Revised Page 51  
Cancels  
Fourth Revised Page 51  
and  
Original Page 51-A

Wharf No. 1

PORT OF OAKLAND

WEIGHING - (Continued)

NOTE - WHEN WEIGHING IS PERFORMED IN CONJUNCTION WITH LOADING OR UNLOADING,  
UNLESS OTHERWISE SPECIFIED, 50% OF THE RATES NAMED HEREIN WILL APPLY.  
WHEN A COMMODITY IS NOT SPECIFICALLY NAMED, IT WILL BE RATED BY ANALOGY.

Item No.	Commodity	Rates in Cents	
		Per 2000 lbs.	Per Package
2300 -	Graphite, in barrels: Each weighing 450 lbs. or less .....		15 bbl.
	Each weighing over 450 lbs. ....		20 "
2305 A -	Gums (crude) in bags .....	(A) 60	
	Gums (crude) in baskets .....	(A) 80	
	Gums, in cases: Each weighing 112 lbs., net, individually		(A) 10 case
	Gums, in cases: Each weighing 220 lbs., net individually		15 case
2320 A -	Gutta Jellitong .....	(A) 70	
2330 A -	Hair, in bales: Each weighing under 500 lbs. ....		(A) 20 bale
	Each weighing over 500 lbs. ....		(A) 30 bale
2332 B -	Hay, Weighing and Tagging .....	(A) 50	
2335 A -	Hemp, Manila, in bales, individually .....		(A) 8 bale
2340 -	Hemp, New Zealand, in bales, individually .....	75	
2345 -	Hemp, Tientsin, in bales, individually .....		15 "
2350 A -	Herbs, N.O.S. ....	(A) 85	
2355 -	Hides, dry, loose .....	425	
2360 -	Hides, dry, in bales .....	100	
2365 Y -	Hides and Pelts, Wet, Salted: Loose .....	(A) 125	
	In barrels or casks .....	(A) 85	
	In bundles .....	(A) 100	
2370 A -	Honey: In cases .....		5 case
	In barrels .....		(A) 17 1/2 bbl.
2375 A -	Hops .....		(A) 15 bale
2380 -	Horns, cattle, in lots .....	100	
2385 -	Jute, in bales .....		12 1/2 "

(A) Increase

Adopted August 23, 1937

Effective Sept. 7, 1937.

(Correction No. 286)

## WEIGHING - (Continued)

NOTE - WHEN WEIGHING IS PERFORMED IN CONJUNCTION WITH LOADING OR UNLOADING, UNLESS OTHERWISE SPECIFIED, 50% OF THE RATES NAMED HEREIN WILL APPLY. WHEN A COMMODITY IS NOT SPECIFICALLY NAMED, IT WILL BE RATED BY ANALOGY.

Item No.	Commodity	Rates in Cents	
		Per 2000 lbs.	Per Package
2235	- Hemp, Manila, in bales, individually .....		7 bale
2340	- Hemp, New Zealand, in bales, individually .....	75	
2345	- Hemp, Tientsin, in bales, individually .....		15 "
2350	- Hops, N.O.S. ....	75	
2355	- Hides, dry, loose .....	125	
2360	- Hides, dry, in bales .....	100	
2365	- Hides and Pelts, Wet, Salted:		
	Loose .....	75	
	In barrels or casks .....	55	
	In bundles .....	75	
2370	- Honey:		
	In cases .....		5 case
	In barrels .....		15 bbl.
2375	- Hops .....		12 <sup>1</sup> / <sub>2</sub> bale
2380	- Horns, cattle, in nets .....	100	
2385	- Jute, in bales .....		12 <sup>1</sup> / <sub>2</sub> "

Adopted October 20, 1930

Effective October 21, 1930

(Correction No. 47)

2475

Second Revised Page 52

**Cancel:**

First Revised Page 52

Griff No. 1

PORT OF OAKLAND

## WEIGHING - (Continued)

NOTE - WHEN WEIGHING IS PERFORMED IN CONJUNCTION WITH LOADING OR UNLOADING, UNLESS OTHERWISE SPECIFIED, 50% OF THE RATES NAMED HEREIN WILL APPLY.

WHEN A COMMODITY IS NOT SPECIFICALLY NAMED, IT WILL BE RATED BY ANALOGY

[illegible]

• Change

(R) Reduction

Adopted January 23, 1939

Effective January 23, 1939

(Correction No. 329)

1184

Tariff No. 1

PORT OF OAKLAND

Second Revised Page 53  
Cancels  
First Revised Page 53

## WEIGHING - (Continued)

NOTE - WHEN WEIGHING IS PERFORMED IN CONJUNCTION WITH LOADING OR UNLOADING, LESS OTHERWISE SPECIFIED, 50% OF THE RATES NAMED HEREIN WILL APPLY. WHEN A COMMODITY IS NOT SPECIFICALLY NAMED, IT WILL BE RATED BY ANALOGY.

Item No.	Commodity	Rates in Cents	
		For 2000 lbs.	Per Ton
2470	Ores, in sacks .....	50	
2475	Ores, in sacks - Check weighing.....	25	
2480	Paper:		
	Small Rolls .....	100	
	Jumbo Rolls, individually .....		40 per
	Bales or Bundles .....	75	
2485 A	Peas; and Lentils, dried .....	50	
2490 A	Peanuts, shelled .....	50	
	In Shell.....	60	
2495	Pebbles, in bags .....	50	
2500 A	Pepper .....	60	
2505 A	Pimientos, in bags .....	60	
2510 A	Potash, in bags .....	60	
2515	Quebracho .....	60	
2520	Rags, in bales, individually .....	55	
2525	Rattan .....	150	
2530	Rattan, bent .....	100	
2535	Rattan, core .....	100	
2540 A	Resin and Rosin, in bbls.....		125 per
	Resin and Rosin, in Cases .....	60	
2545 A	Rice .....	50	
2550 B	Rubber, in cases or bales .....	(A) 100	
	Rubber, check weighing .....	50	
2560	Sago .....	60	
2565	Seed, Rape and Canary .....	50	
2570 A	Seed, Sunflower .....	50	
2580	Shellac, in cases, bales, or sacks, individually.....		5 per
2585 A	Shellac, in cases, bales, or sacks, in drafts .....	70	
2590	Shells, Pearl .....	100	
2595 A	Shrimps .....	70	
2600 A	Sisal, in bales .....		10 per
2605 A	Soap Stock, - See item 2455 A .....	Oil Rates—	Apply
2610 A	Soda Ash .....	60	
2615 A	Stearine .....	Oil Rates—	Apply
2620 A	Strawbald, in cases.....		125 per
2625 A	Sugar .....	50	

•Change

•) Increase

Adopted February 20, 1939  
Correction No. 338

Effective February 20, 1939

Fourth Revised Page 54  
 Cancels  
 Third Revised Page 54

off No. 1

PORT OF OAKLAND

WEIGHING - (Continued)

NOTE - WHEN WEIGHING IS PERFORMED IN CONJUNCTION WITH LOADING OR UNLOADING,  
 UNLESS OTHERWISE SPECIFIED, 50% OF THE RATES NAMED HEREIN WILL APPLY.  
 WHEN A COMMODITY IS NOT SPECIFICALLY NAMED, IT WILL BE RATED BY ANALOGY

Com No.	Commodity	Rates in Cents	
		Per 2000 lbs.	Per Package
30 A -	Sulphur .....	60	
	Sulphur, in ship slings ..	25	
40 A -	Tallow, in bales .....	60	
45 -	Tallow, in barrels or cases .....	Oil Rates apply	
50 A -	Tapioca .....	60	
55 -	Tapioca Flour .....	60	
60 -	Tea, in boxes and half-chests, individually ...		8
65 -	Tea, in cases, individually .....		10
70 -	Tea, in drafts .....	100	
75 A -	Tin (Slab) .....	75	
80 -	Tobacco:		
	In bales each weighing 225 lbs. or less ....		10
	In bales each weighing over 225 lbs. ....		15
90 -	Vetches .....	50	
95 -	Walnuts, in bags .....	50	
100 A -	Walnut heats:		
	In cases, each weighing 30 lbs. net, Individually		4
	In cases, each weighing 50 lbs. net, Individually		6
	In cases, each weighing 30 lbs. net, Draft weight		3
	In cases, each weighing 50 lbs. net, Draft weight		5
105 A -	Wax:		
	In cases .....		10
	In bags .....	60	
110 A -	Whiting, in barrels, each weighing 325 lbs. or less....		12 1/2
115 B -	Wool, in bales or bags .....		12 1/2
	Wool, in bales or bags, including marking and numbering..		15
120 A -	Woods, hardwood .....	75	

Adopted December 19, 1933  
 Correction No. 326

Effective December 19, 1938

1186

First Revised Page  
Cancels  
Original Page

Tariff No. 1

PORT OF OAKLAND

## WEIGHING (Continued)

Item No.                      Commodity

•2725 B-      Weighing on truck scales

Except as otherwise provided in individual items, the charge for weighing on public truck scales at Grove Street and Outer Harbor Terminal shall be 25¢ per vehicle which charge will include weighing of vehicle both loaded and light. Truck with trailer shall be rated as two vehicles.

#2727      Charge for Issuing Public Weighmaster's Certificate in Connection with Track Scaling of Loaded Railroad Cars.

When the Port of Oakland, upon request, assigns a Weighmaster to be present at time of weighing loaded rail cars, also weighing such cars empty, when required, over track scales within the Oakland switching limits for the purpose of ascertaining weights and issuing a Public Weighmaster's Certificate, the charge for such service shall be \$2.48 per car.

## TARIFF

NOTE - INCLUDES REMOVING GOODS FROM CONTAINERS, WEIGHING CONTAINERS, AND REPLACING GOODS INTO CONTAINERS. RATES ARE IN CENTS PER PACKAGE.

Item No.	Commodity
2730 -	Baled Freight, N.O.S.: Cassia Rubber
2735 -	Baled Freight containing small mats: Cassia
2740 -	Cased Freight: Canned Goods Cassia Dried Fruit Mace in small cases Mace in large cases Nutmegs Rubber
2745 -	Sacked Freight: Single Sacks Double Sacks

• Change

• Add

Adopted December 19, 1938  
Correction No. 327

Effective December 19,

1187

No. 1		PORT OF OAKLAND	Sixth Revised Page 56 Cancels Fifth Revised Page 56
STENCILING, LABELING, MARKING, STRAPPING, ETC. NOTE - RATES IN CENTS AS NOTED			
No.	Service and Commodity	Cents	Per
	Labeling: When in conjunction with strapping	1 12	Case "
A	Scraping Cases: One Port Mark Each additional Port Mark, per case One Brand Each additional Brand, per case	1 12 12 12	Case " " "
	Stenciling Cases: Except canned pineapple One Port Mark per case One Brand per case Each additional Port Mark and/or Brand per case. One Port Mark and one Brand. Port Mark, in conjunction with other labor Brand, in conjunction with other labor exclusive of port marking	1 1 12 12 12 12 12	Case " Mark or Brand Case Port Mark Brand
	Stenciling canned pineapple	12	Case
C	Stenciling Sacked Goods N.O.S. Weighing 160 lbs. or less per sack Weighing over 160 lbs. per sack When performed in conjunction with other labor	1 12 12	Mark " Mark
C	Stenciling Sacked Grain: When performed in conjunction with other labor Cancel - See Item 2765-C		
	Blocking out Port Mark on Sacked Goods: Weighing 160 lbs. or less per sack Weighing over 160 lbs. per sack	1 12	Mark "
C	Stenciling Sacked Beans N.O.S. Cancel - See Item When performed in conjunction with 2765-C other labor. Cancel - See Item 2765-C When performed in conjunction with car un- loading. Cancel - See Item 2765-C		
	Tagging Hay (Tags to be furnished by shipper)	12	Bale
ange			
ed April 29, 1940 rection No. 361)		Effective May 18, 1940	

1188

Tariff No. 1		PORT OF OAKLAND	Third Revised Page 57 Cancels Second Revised Page 57
STENCILING, LABELING, MARKING, STRAPPING, ETC. - (Continued)			
NOTE - RATES IN CENTS AS NOTED			
Item No.	Service and Commodity	Rates in cents per case except as noted	
2780-B-	Wire Strapping; Except as provided in Item No. 2795:		
	Apples, fresh, two wires	2.5	
	Canned Goods and Dried Fruit:		
	Cases, each weighing 31 lbs.		
	or less:		
	One Wire	(A) 1.225	
	Two Wires	(A) 1.85	
	Cases, each weighing 31 lbs.		
	but not over 75 lbs:		
	One Wire	(A) 1.35	
	Two Wires	(A) 2.35	
	Two cases (each weighing 31 lbs. or less) in bundles:		
	Two Wires per bundle	(A) 2.6	
2785 -	Citrus Fruits, fresh, two Wires	2.5	
2790 -	Honey (including stenciling shipping mark) Two Wires	5	
2795 -	Wire Strapping of Dried Fruit - opened by Inspectors on Terminal Properties		
	Single Wire	2	
	Double Wire	3	
	Bundles	4	
(A) Increase			
Adopted November 6, 1939 (Correction No. 355)		Effective November 6, 1939	

[fol. 2482]

EXHIBIT No. 98

## Port of Oakland, Board of Port Commissioners

## License and Concession Agreement for Use of Real Property

This Agreement made this — day of —, 19—, by and between the City of Oakland, acting by and through its Board of Port Commissioners, herein referred to as the Port of Oakland or the Port, and herein referred to as the Licensee,

Witnesseth: For the better promotion of commerce and navigation and the development of the Port of Oakland, and on the condition of the faithful performance by Licensee of the covenants and agreements hereinafter set forth, the Port hereby assigns to Licensee the license, concession and privilege to use, solely for the purpose hereinafter set forth, those premises situate in the Port Area of the City of Oakland, County of Alameda, State of California, more particularly described as follows:

*1. Description of Premises:*

together with appurtenances.

[fol. 2483] 2. Term: This license shall commence with — and continue to — and —.

3. *Monthly Rental:* Licensee, without previous demand, shall pay a total rental therefor in the sum of — (\$—), payable \$— on the execution of these presents and \$— on the first day of each succeeding month, commencing — until such total sum shall have been paid.

4. *Use of Premises:* Except with the prior written consent of the Port, Licensee's use of the described premises shall be restricted to the following purposes, to-wit:

and any use inconsistent with the above purposes shall render this agreement immediately revocable at the will of the Port.

5. *Port Charges and Utilities:* Licensee hereby covenants and agrees to pay to the Port rent in the manner and at the

times herein specified, and in addition thereto, all dockage, tolls, demurrage, service charges, and other port charges incurred by it at any wharf, dock or terminal facility operated by the Port, and for all water, light, fuel, electricity, power, gas and other utilities which may be furnished to or used in or upon said premises during the term of this license.

6. *Taxes and Assessments:* Licensee shall and will pay all lawful taxes, assessments or charges which during the term hereof may become a lien or be levied by the State, County, City or any other tax or assessment levying body upon any interest in this agreement or any possessory right which Licensee may have in or to said land and/or the improvements thereon by reason of its use or occupation thereof, or otherwise, as well as all taxes, assessments and charges on goods, merchandise, fixtures, appliances, equipment and property owned by it in and about said premises.

7. *Signs:* Licensee shall not install any signs or placards either in or on the said premises without the consent of the Port thereto first having been obtained. The Port agrees not to unreasonably withhold its consent to Licensee using signs to represent its business.

8. *Promotion of Port:* Licensee shall in good faith and with all reasonable diligence employ its best endeavors and all practical means to promote and aid the commerce of the Port of Oakland and the use of its facilities. Other things [fol. 2484] being equal, it shall ship through and receive through the municipal docks and terminals operated by the Port all of the goods, materials and other commodities which it may be able to control or direct.

9. *Condition of the Premises:* The taking of possession of said premises by Licensee shall, in itself, constitute acknowledgment by Licensee that said premises have been properly constructed and are in good and tenantable condition.

10. *Repairs, Alterations and Additions:* The Port shall not be obligated to make any repairs, alterations, additions or betterments to said premises during the term hereof. Licensee shall be liable at its own expense to make all repairs to windows and repairs to said premises where the damage is caused by Licensee or its employees, agents, invitees, or persons coming upon said premises by Licensee's

authority or permission. Should Licensee fail to make any repairs for which it is liable, the Port shall have the option to make the same; and Licensee shall immediately reimburse the Port for the cost thereof. The making of such repairs by the Port shall in no event be construed as a waiver of the duty of Licensee to make repairs as herein provided. Licensee may make alterations, additions and betterments to said premises only with the prior written approval of the Port. Licensee waives the right to make repairs at the expense of the Port and waives the benefit of the provisions of Sections 1941 and 1942 of the Civil Code of the State of California relating thereto; and further agrees that if and when any repairs, alterations, additions, or betterments shall be made by it as in this paragraph provided, it promptly shall pay for all labor done or materials furnished in that behalf and shall keep said premises and building and Licensee's possessory interest therein free and clear of any lien or encumbrance of any kind whatsoever.

11. *Title to Improvements:* Licensee agrees that all structures, locks, bolts, repairs, alterations and/or improvements affixed to or made upon said premises by either of the parties hereto, shall be and become the property of the Port, and shall remain upon and be surrendered with the premises as part thereof upon termination of this agreement, save that Licensee may at the termination of this agreement remove its machinery, boilers, tanks (excepting sprinkler systems and tanks used therewith and fixed fire protection apparatus), apparatus, equipment, conveyors, movable partitions and other trade fixtures heretofore and/or hereafter placed thereon by it; provided, the provisions of this paragraph may be waived by resolution of the Board upon application prior to the making of any such improvements.

12. *Liability for Damages:* This agreement is made upon the express condition that the Port shall be free from all liabilities and claims for damages and/or suits for or by reason of any injury or injuries to any person or persons or property of any kind whatsoever, whether the person or property of Licensee, its agents or employees, or third persons, from any cause or causes whatsoever while in or upon said premises or any part thereof during the term of this agreement or occasioned by any occupancy,

or use of said premises or any activity carried on by Licensee in connection therewith, and Licensee hereby covenants and agrees to indemnify and to save harmless the Port from all liabilities, charges, expenses (including counsel fees) and costs on account of or by reason of any such injury or injuries, liabilities, claims, suits or losses however occurring or damages growing out of same.

13. *Hazardous Substances:* No goods, merchandise or material shall be kept, stored or sold in said premises which are in any way explosive or hazardous; and no offensive or dangerous trade, business or occupation shall be carried on therein or thereon, and nothing shall be done on said premises other than as is provided for in paragraph 4 of this agreement which will increase the rate or suspend the insurance from the structures hereby assigned to Licensee or upon adjacent buildings or other structures of the Port, and no machinery or apparatus shall be used or operated [fol. 2485] on said assigned premises which will in any way injure said premises or adjacent buildings, provided, however, that nothing in this paragraph contained shall preclude Licensee from bringing, keeping or using on or about said premises and building such materials, supplies, equipment and machinery as are necessary or customary in carrying out the uses specified in paragraph 4 hereof.

14. *Forfeitures.* It is mutually covenanted, and this agreement is made upon the condition, that if the rents or other sums which Licensee herein agrees to pay, or any part thereof, shall be unpaid on the date on which the same shall become due, or if default be made in all or any of the terms, agreements, conditions or covenants herein contained on the part of Licensee, or should Licensee abandon and cease to use the premises for a period of thirty (30) days at any one time, except when prevented by fire, earthquake, war, strikes, or other calamity beyond its control, then and in any such event, at its option the Port may declare this agreement forfeited, whereupon all improvements of every kind and description shall be forfeited to the Port as liquidated damages and the Port may exercise all rights of entry or re-entry upon said premises.

15. *Right of Entry as Agent:* In any and all cases in which provision is made herein for termination of this agreement, except by forfeiture, or for exercise by the Port

of right of entry or re-entry upon said premises, or in case of abandonment or vacating of the premises by Licensee and the Port may not elect to invoke a forfeiture of said agreement, Licensee hereby irrevocably appoints the Port the agent of Licensee to enter upon said premises and remove any and all persons and/or property whatsoever situated upon said premises, and place all or any portion of said property, except such property as may be forfeited to the Port, in storage for account of and at expense of Licensee; and in such case the Port may relet the premises upon such terms as to it may seem fit, and if a sufficient sum shall not be thus realized, after paying expenses of such re-letting and collecting, to satisfy the rent and other sums herein reserved to be paid, Licensee agrees to satisfy and pay any deficiency, and to pay expenses of such reletting and collecting. Licensee hereby exempts and agrees to save harmless the Port from any cost, loss or damage arising out of or caused by any such entry or re-entry upon said premises and/or the removal of persons, and/or property and storage of such property by the Port or its agents.

**16. Notice of Default:** Notwithstanding anything to the contrary in this agreement contained, no forfeiture shall be declared by the Port, unless and until not less than fifteen (15) days shall have elapsed after written notice of failure of Licensee to perform the terms, agreements, conditions or covenants, or any thereof, herein contained to be performed by Licensee, shall have been given by the Port to Licensee, and no forfeiture of said agreement for any default by Licensee of the performance of any such term, agreement, condition or covenant, shall be declared by the Port, if such default shall have been cured or obviated, prior to the expiration of such notice, even though performance of such term, agreement, condition or covenant shall not have been effected or completed strictly within the period during which same should have been effected or completed; provided that this paragraph shall not apply to forfeitures declared for breaches of paragraphs 3 and 4 hereof.

**17. Surrender and Holding Over:** Licensee covenants that at the expiration of the term of this agreement, or upon its earlier termination, it will quit and surrender said premises in good state and condition, reasonable wear and tear and damage by the elements excepted, and Licensee

agrees forthwith to remove therefrom all machinery, apparatus, boilers, tanks (excepting sprinkler tanks), equipment, conveyors, trade fixtures and personal property be- [fol. 2486] longing to Licensee. Licensee further covenants and agrees that said premises and all structures, foundations and improvements thereon which by and under the terms of this agreement are provided to then remain on the assigned premises and which have become the property of the Port, shall be well and sufficiently repaired and in good tenantable order and condition, with allowance for reasonable wear and tear, and the Port shall have the right on such termination, to enter upon and take possession of all said premises.

Should Licensee hold over the use of said premises after this agreement has terminated in any manner, such holding over shall be deemed merely a holding from month to month and at the rental herein provided for, payable monthly in advance, but otherwise on the same terms and conditions as herein provided.

18. *Destruction of Premises:* Whenever the premises, or any essential part thereof shall be destroyed by fire or other casualty, this agreement shall in case of total destruction terminate, and in case of partial destruction or injury shall terminate at the option of the Port, upon giving at least thirty (30) days notice to Licensee after such fire or injury, and no rent shall accrue to the Port after such termination. Should the Port elect, in such event, not to terminate such agreement it will, with reasonable diligence, restore the premises as near as practicable to their former condition, and Licensee's obligation to pay rent shall be abated during the time and in proportion to the extent that said premises are not tenantable.

19. *Duty to Guard Goods:* Licensee shall assume the responsibility for the guarding and safe keeping of all property and equipment upon or used in connection with the said premises.

20. *Waivers:* No waiver by either party at any time of any of the terms, conditions, covenants or agreements of this agreement or of any forfeiture shall be deemed or taken as a waiver at any time thereafter of the same or any other term, condition, covenant or agreement herein.

contained, nor of the strict and prompt performance thereof. No delay, failure or omission of the Port to re-enter said premises or to exercise any right, power, privilege or option arising from any default or subsequent acceptance of rent then or thereafter accrued shall impair any such right, power, privilege or option, or be construed to be a waiver of any such default or relinquishment thereof, or acquiescence therein, and no notice by the Port shall be required to restore or revive time as of the essence hereof after waiver by the Port of default in one or more instances. No option, right, power, remedy or privilege of the Port shall be construed as being exhausted or discharged by the exercise thereof in one or more instances. It is agreed that each and all of the rights, powers, options or remedies given to the Port by this agreement are cumulative, and no one of them shall be exclusive of the other or exclusive of any remedies provided by law, and that exercise of one right, power, option or remedy by the Port shall not impair its rights to any other right, power, option or remedy.

**21. Regulations to be Observed:** Licensee shall not use or permit the said premises to be used in whole or in part during the term of this agreement, for any purpose or use in violation of any present or future laws, ordinances and general rules or regulations at any time applicable thereto of any public or governmental authority, including the City of Oakland and/or its Board of Port Commissioners, relating to sanitation or the public health, safety or welfare, or navigation and use of harbor; and Licensee hereby expressly agrees at all times during the term of this agreement, at its own cost, to maintain the said premises in a clean, wholesome and sanitary condition and in compliance with any and all present and future laws, ordinances and general rules or regulations of any public or governmental authority now or at any time during the [fol. 2487] term of this agreement in force relating to sanitation or public health, safety or welfare, and Licensee shall at all times faithfully obey and comply with all laws, rules and regulations adopted by Federal, state, local or other governmental bodies.

**22. Assignment Prohibited:** Licensee shall not at any time, in any manner, either directly or indirectly, assign, hypothecate, encumber or transfer this agreement or any interest therein; or sub-let the whole or any part of said

premises, or license the use of same in whole or in part without written consent of the Port.

Licensee further covenants and agrees that neither this agreement, nor any interest therein shall be assignable or transferable in proceedings in attachment, garnishment or execution against Licensee, or in voluntary or involuntary proceedings taken under the authority of any bankruptcy act or provision thereof, or in any proceeding in insolvency, or receivership taken by or against Licensee or by any process of law, and that possession of the whole or any part of said premises shall not be divested from Licensee in such proceedings or by any process of law, without written consent of the Port; and any such divesting of possession by Licensee or any assignment, sale or transfer of this agreement, or any interest therein, either voluntarily or by judgment, execution, bankruptcy, receivership, insolvency proceedings, or by process or operation of law, shall at option of the Port be null and void and of no force or effect and shall cause this agreement to terminate immediately at option of the Port.

The restrictions hereinabove contained against assignment or hypothecation of the agreement or any interest therein or subletting of the said premises or any part thereof by the Licensee, shall not be construed or deemed removed or waived at any other subsequent time, or at all, by any consent which the Port may hereafter give in respect to any such matters.

**23. Right to Inspect Premises:** The Port reserves the right to enter upon the premises at any reasonable time to inspect the same and to make any repairs that it may consider necessary to the preservation of the premises. Should any repairs be such as the Licensee should have made hereunder, the Licensee shall immediately reimburse the Port for the cost of such repairs, but the making of such repairs by the Port shall in no event be construed as a waiver of the Port's right to require the Licensee to keep said premises in repair as herein provided.

**24. Additional Provisions (if any):**

[fol. 2488] **25. Successors:** East and every of the provisions, agreements, terms, covenants and conditions herein contained to be performed, fulfilled, observed and kept

shall, where consent is given by the Port to an assignment, be binding upon the successors and assigns of the respective parties hereto, and the rights hereunder, and all rights, privileges and benefits arising under this agreement and in favor of either party, shall be available in favor of the successors and assigns thereof, respectively; provided no assignment by or through Licensee in violation of the provisions of this agreement shall vest any rights in any such assignee or successor.

26. *No Interest in Land Created:* Licensee agrees that this agreement is a license and concession and not a lease and that no interest or estate in real property, or improvements thereon, is created hereby.

27. *Time of Essence:* Time is expressly declared to be of the essence of this agreement.

28. *Notice:* Any notice required or permitted to be given to Licensee may be given to it at provided, however, that if Licensee shall give notice in writing to the Port of any change in said address, then and in that event such notice shall be given to Licensee at the changed address specified in such notice.

29. *Agreement in Triplicate:* This agreement shall be executed in triplicate.

In Witness Whereof, the parties hereto thereunto duly authorized, have executed this agreement the day and year first above written.

City of Oakland acting by and through its Board of Port Commissioners By — —, President. Attest: — —, Secretary. — —, Licensee By — — Attest: — —.

Passed as to form and legality this — day of —, 19—, —, Port Attorney.

Port Resolution No. —.

PORT OF OAKLAND BOARD OF PORT COMMISSIONERS CITY OF  
OAKLAND, CALIFORNIA

*Lease of Real Property*

This Agreement made and entered into this — day of — by and between the City of Oakland, a municipal corporation of the State of California, acting by and through its Board of Port Commissioners, party of the first part, (generally known as the "Port of Oakland," but hereinafter designated as "Lessor") and — party of the second part, (hereinafter designated as "Lessee"),

Witnesseth:

Lessor, for and in consideration of the rental payments herein provided to be made by Lessee and of the mutual agreements, terms, covenants and conditions herein contained, and following the award of this lease at public auction, upon due advertisement as provided by the Charter of the City of Oakland, has leased and demised, and by these presents does lease and demise unto Lessee, and Lessee by these presents does lease, hire and take from Lessor the following described parcel of land, situate in City of Oakland, County of Alameda, State of California:

1. *Description of Premises:*

Lease Form, 8/7/37, (For periods longer than one year) No modification or deviations from the mimeographed provisions shall be valid unless specifically noted in executed lease.

[fol. 2490] said premises being a portion of the tide and submerged lands and waterfront of the City of Oakland held in trust by Lessor for the promotion and accommodation of commerce and shipping, containing — acres, and the appurtenances.

2. *Term:* The term of this lease shall commence with — and shall continue for a period of — years — to and including — unless this lease be sooner terminated as hereinafter provided.

\*Add number of months or days, if necessary.

3. *Rental*: Lessee shall pay rental for said lease in the total amount of — (\$ —), as set forth in the bid filed with the Lessor, said rent to be payable in advance in lawful money of the United States of America, or its equivalent, without previous demand, in equal monthly installments on or before the first day of each and every month during said term, except that the last of such installments if payable for less than a full month shall be for the pro rata part of one-twelfth of such annual rent corresponding to the proportion of such amount for which such last installment is payable.

4. *Use of Premises*: The demised premises shall be used by Lessee during said term for the following purposes, and none other, except with the prior written consent of the Lessor evidenced by resolution of its Board of Port Commissioners; provided that the use of said premises shall be at all times consistent with the development of the industrial and commercial activities of the Port of Oakland in the accommodation and promotion of its commerce and shipping.

[fol. 2491] 5. *Other Charges*: In addition to the rental payments herein provided for, Lessee shall pay for all dockage, tolls, demurrage and other port and terminal charges incurred by it or under its direction in the use of the terminal or shipping facilities operated by Lessor and for other services performed for it by the Lessor at the rates and charges prescribed by the tariffs or ordinances of the Port of Oakland, or if not covered by any such tariff or ordinance, at such rates and charges as may be mutually agreed upon. Lessee shall also pay or cause to be paid all dockage and toll charges incurred for the use of any dock, pier, wharf or other terminal facilities, if any, located upon the herein demised premises. No reimbursement of any such charges shall be made to Lessee.

6. *Utilities*: Unless otherwise provided for in paragraph 31 herein, Lessee shall pay for all water, gas, heat, electricity, fuel, power, telephone service, and other utilities, as well as janitor or watchman services, which may be furnished to or used in or about said premises during the term of this Lease.

7. *Promotion of Port*: Lessee shall in good faith and with all reasonable diligence employ its best endeavors and all

practical means to promote and aid the commerce of the Port of Oakland and the use of the municipal facilities or terminals, including, as hereinafter provided, the terminal facilities, if any, located upon the herein demised premises.

Other things being equal, Lessee shall route or cause to be routed for shipment by water from, and ship through and from and receive by water through the terminal facilities of the Port of Oakland, all materials, commodities, merchandise and other goods which shall be owned by and manufactured or otherwise handled by Lessee, or which it can control or direct. It is the intention of the provision of this paragraph and lease that so far as Lessee can, without additional handling or transportation or other expense, it will handle and ship or cause to be handled or shipped all materials, commodities, goods and merchandise shipped, received or handled by it by water to or from the counties bordering upon San Francisco Bay, over the terminal facilities of the Port of Oakland, provided, however, that the provisions of this paragraph shall not apply:

(a) If and when said municipal terminals of Lessor are occupied and used to capacity;

(b) Unless such materials, commodities, merchandise and other goods can be so shipped on such vessels through and from said terminals to destination at a cost to Lessee (or other person under the direction of Lessee) and/or consignee of such goods (including cost of freight from point of origin to said terminal and the tolls and other regularly established charges incident to the handling of goods through and the shipment of said goods from such terminal) [fol. 2492] not in excess of the cost to Lessee and/or consignee of such goods, of shipping such goods through and from any other established general cargo pier, dock, or terminal in general use at the terminals within the counties bordering on San Francisco Bay, to destination (including cost of freight from point of origin to, and the tolls and other regularly established charges incident to the handling of goods through, and the shipment of said goods from, such other established general cargo pier, dock or terminal within the counties bordering on San Francisco Bay);

(c) If the use of or access to said demised premises or municipal terminals is hindered or obstructed by casualty, damage or other matter beyond the control of Lessee;

(d) If shipment is received by or is to be shipped by ship or shipping lines or land transportation which cannot be conveniently or otherwise accommodated or reached through such municipal terminals and

(e) As to such shipments of goods which the purchaser, consignor or consignee thereof or sound business practice shall require to be delivered direct or caused to be warehoused for delivery direct to a retailer, wholesaler, buyer or consumer located in some other port of the San Francisco Bay area other than the Port of Oakland, or to be shipped from a retailer, wholesaler or producer in such other ports.

Provided, that during the term of this lease, the municipal terminals of Lessor shall at all times be maintained and operated by Lessor, or under its direction in an efficient manner as public terminals for accommodation of shipping of general cargo and package freight by rail, truck and water, and provided further that all dockage, tolls, wharfage, service charges and other tariff rates and costs for services rendered or fixed by Lessor and for use of such terminal shall be reasonable and non-discriminatory, and consistent with standard practice of terminal operation.

Provided, further, however, should the Lessee maintain or operate any wharf or terminal facility upon the premises covered by this lease for the accommodation or promotion of shipping or commerce, the said property shall, for the purposes of the foregoing provisions, be considered a municipal terminal facility, and shipments through and over such facility shall meet the requirements of said provisions.

Lessee shall and will in good faith, and with all reasonable diligence and consistency use its best endeavors and all practical means to use the terminal facilities or said leased premises to its full capacity and to cooperate with Lessor in securing business, traffic and shipments of freight for and through municipal terminals operated by Lessor to the end that it may aid in promoting commerce and shipping of the Port of Oakland.

8. *Harbor Regulations:* Lessee shall at all time faithfully obey and comply with all the laws, rules and regulations adopted by the Board of Port Commissioners or the Council of the City of Oakland, or by federal or state authorities for the protection and governing of the Port of Oakland, the harbor and port area.

9. *Signs*: No signs or placards, except only signs or placards pertaining to or advertising Lessee's business shall be inscribed, painted or placed upon said demised premises, or on the sidewalks adjacent thereto, without written consent of Lessor first had and obtained. If Lessee is a corporation it is within the contemplation of this section that Lessee may permit signs and placards pertaining to business [fol. 2493] of controlled, subsidiary, affiliated and/or controlling corporations of Lessee.

10. *Repairs*: The taking of possession of said demised premises by Lessee shall, in itself, constitute acknowledgment by Lessee that said premises, including structures and improvements thereon, have been properly constructed and are in good and usable condition. Thereafter the Lessor shall not be obligated to make any repairs or alterations to said premises and Lessee agrees that the Lessor shall not be liable to the Lessee or any other person, for any injury or damages that may result from any latent or patent defect in the construction or condition of said premises, or from the neglect of any other tenant or occupant of the premises. Lessee hereby expressly waives the right to make repairs at expense of Lessor, and waives benefit of provisions of Sections 1941 and 1942 of the Civil Code of California relating thereto. Lessee further covenants and agrees, at its own cost and expense, during the term hereof, and with or without notice from Lessor, to keep and maintain said demised premises, including all structures, foundations, windows, plumbing and other improvements thereon, or hereafter placed thereon, in good order, repair and tenantable condition, during the term hereof, damage by fire, earthquake, act of God or of the public enemy, civil commotion or other calamity excepted, and also, subject to the exceptions aforesaid, to make all repairs and replacements (including overhauling and general maintenance), of whatsoever kind or nature to said demised premises and improvements and including repairs and replacements to restore deterioration caused by use or natural decay.

The Lessor shall not be liable for damages or injury to any goods, property or effects in or upon the demised premises caused by gas, water, steam, or other fluid from any source whatsoever, or for the destruction thereof from any cause.

11. *Taxes*: Lessee shall and will pay all lawful taxes, assessments or charges which at any time may be levied by the State, County, City or any other tax or assessment levying body upon any interest in this agreement or any possessory right which Lessee may have in or to said land and/or the improvements thereon by reason of its use or occupation thereof, or otherwise, as well as all taxes, assessments and charges on goods, merchandise, fixtures, appliances, equipment and property owned by it in and about said premises.

12. *Mechanic's Liens*: Lessee agrees to pay for all labor done or materials furnished in repair, replacement or improvement of the demised premises by the Lessee, and to keep said premises and building and Lessee's possessory interest therein free and clear of any lien or encumbrance of any kind whatsoever created by the Lessee's act or omissions.

13. *Improvements and Additions*: Lessee shall, upon securing written consent of the Lessor, and upon submitting plans and specifications therefor, have the right to improve the said premises at its own cost and expense, and without any cost, charge, expense or other liability whatsoever on account or by reason thereof to the Lessor, provided, that, unless otherwise agreed in writing, title to each and every structure and improvement placed upon the demised premises during the term of this lease shall vest in the Lessor on the day of completion thereof, thereafter to be and remain the property of the Lessor, without any expense or cost whatsoever to it.

No additions, alterations, or repairs involving structural [fol. 2494] changes shall be made to said demised premises without prior written consent of the Lessor, and all structures, locks, bolts, repairs, alterations and/or improvements affixed to or made upon said demised premises by either of the parties hereto, shall be and become the property of the Lessor, and shall remain upon and be surrendered with the premises as part thereof upon termination of this agreement save that Lessee may at the termination of this agreement remove its office fixtures, machinery, boilers, tanks (excepting sprinkler systems and tanks used therewith and fixed fire protection apparatus), apparatus, equipment, conveyors, movable partitions and also all trade fixtures to the

extent now permitted by the Civil Code of the State of California, heretofore and/or hereafter placed thereon by it.

14. *Dangerous Uses:* No goods, merchandise or material shall be kept, stored or sold in said demised premises which are in any way explosive or hazardous, and no offensive or dangerous trade, business or occupation shall be carried on therein or thereon, and nothing shall be done on said premises other than as is provided for in paragraph 4 of this agreement which will increase the rate of or suspend the insurance from the structures hereby leased to Lessee or upon adjacent buildings or other structures of the Lessor, and no machinery or apparatus shall be used or operated on said assigned premises which will in any way injure said premises or adjacent buildings, provided, however, that nothing in this paragraph contained shall preclude Lessee from bringing, keeping or using on or about said premises and building such materials, supplies, equipment and machinery as are necessary or customary in carrying on its said business.

15. *Public Regulations:* Lessee shall not use or permit the demised premises to be used in whole or in part during the term of this agreement, for any purpose or use in violation of any present or future laws, ordinances and general rules or regulations at any time applicable thereto of any public or governmental authority, including the City of Oakland and/or its Board of Port Commissioners, relating to sanitation, or the public health, safety or welfare, and Lessee hereby expressly agrees at all times during the term of this agreement at its own cost, to maintain the herein demised premises in a clean, wholesome and sanitary condition and in compliance with any and all present and future laws, ordinances and general rules or regulations of any public or governmental authority now or at any time during the term of this agreement in force relating to sanitation and public health, safety or welfare.

16. *Assignments:* Lessee shall not at any time, in any manner, either directly or indirectly assign, hypothecate, encumber or transfer this agreement or any interest therein, or sublet the whole or any part of the demised premises, or license the use of same in whole or in part without written consent of the Lessor evidenced by resolution of the Board of Port Commissioners. In no event shall any permission

aforesaid for the subletting of such premises be granted in any wise except that the person, firm or corporation receiving the same shall have no right thereby, other than by and under the Lessee and subject to all the terms, covenants and conditions of this lease.

Lessee further covenants and agrees that neither this agreement, nor any interest therein shall be assignable or transferable in proceedings in attachment, garnishment or execution against Lessee, or in voluntary or involuntary proceeding in bankruptcy or insolvency or receivership taken by or against Lessee or by any process of law, and that possession of the whole or any part of the demised premises shall not be divested from Lessee in such proceedings or by any process of law, without written consent of the [fol. 2495] Lessor; and any such divesting of possession by Lessee or any assignment, sale or transfer of this agreement, or any interest therein, either voluntarily or by judgment, execution, bankruptcy, receivership, insolvency proceedings, or by process or operation of law, shall at option of the Lessor be null and void and of no force or effect and shall cause this agreement to terminate immediately upon option of the Lessor.

The restrictions hereinabove contained against assignment or hypothecation of the agreement or any interest therein or subletting of the said premises or any part thereof by the Lessee, shall not be construed or deemed removed or waived at any other subsequent time, or at all, by any consent which the Lessor may hereafter give in respect to any such matters.

17. *Insurance:* Lessee shall keep all structures on the demised premises, which belong to or which upon the termination of this lease are to revert to Lessor, insured against fire in an amount equal to at least ninety (90) per cent of the insurable value of said structures. The form of the policies and the companies writing them shall be subject to the approval of Lessor. Such policies shall be delivered to and retained by Lessor, and shall provide that any loss shall be payable to Lessor to be held by it in trust for the purpose of the repair or reconstruction of the damaged or lost structures. In case of such loss occurring, Lessee shall have the right, upon obtaining Lessor's approval of plans therefor, to repair or reconstruct the structures damaged or de-

stroyed, or to construct other structures in lieu thereof, and upon such repair, construction or reconstruction, the insurance paid to Lessor by reason of such loss shall be by it paid to Lessee, when, as and if Lessee pays out moneys for such reconstruction. In case Lessee does not, within ninety (90) days after receipt of the insurance moneys by the City of Oakland, commence the work of repairing and reconstructing, or the constructing of such other improvements and complete same with all reasonable diligence, the Lessor shall have the right to declare the right of use hereby granted at an end as to the structure so damaged or destroyed in which case Lessee shall have no claim whatsoever to said insurance money. Lessor shall not be liable for the cost of said work other than to apply said insurance money thereto and Lessee shall not be required, in order to obtain such reimbursement to undertake reconstruction or new construction of greater cost than the insurable value of such damaged or destroyed structures. Any insurance moneys not required for purposes of such repair, reconstruction or new construction shall belong absolutely to Lessor. It is the intent of this paragraph, in event of damage or destruction of all or a portion of the improvements on the demised land, that Lessee may reconstruct same, or, in lieu thereof, construct other structures as will then reasonably meet the requirements of Lessee's business and beneficial use of said premises in accordance with the general plan and intent of this lease, and Lessor will approve such reconstruction, or alternative new construction as will carry out the intent of this provision, meet the requirements of the business of Lessee, and to the extent of the insurable value, replace the damaged or destroyed portion of said premises.

If during the term of this lease, the structures on the demised premises shall be damaged or destroyed by fire, earthquake, acts of God, or of the public enemy, civil commotion or other calamity, to an extent in excess of fifty (50) per cent of the then value thereof, and provided the Lessor does not elect then or thereafter, as hereinafter provided, to restore the damaged or destroyed structures, Lessee is hereby granted the privilege, upon giving forty-five (45) days' written notice to Lessor (such notice to be given within [fol. 2496] forty-five (45) days after such damage or destruction) to cancel and annul this lease, provided, however, that if in such case Lessee shall not so elect to cancel and annul this lease, it hereby agrees with due diligence to re-

store the damaged or destroyed structures to a good and tenantable condition, subject, however, to each and all of the provisions hereinabove in this paragraph 17 set out, and at its own cost, subject to reimbursement from insurance moneys, if any. Provided further, however, the Lessor may nevertheless elect to restore the damaged or destroyed structures as herein provided, in which event it shall give written notice to such effect within forty-five (45) days, after notice of election by Lessee of its intention to cancel the lease, and prosecute the reconstruction with reasonable diligence and abate the rental on the unused portion during the period of reconstruction.

Lessee shall provide for appraisalment of the insurable value of such structures at intervals of three (3) years by an appraiser to be approved by the Lessor, unless otherwise consented to in writing by the Lessor.

In the event of partial or total damage or destruction of structures on the demised premises, Lessee shall be entitled to fair and reasonable abatement of rental, to be determined under circumstances and conditions then existing.

18. *Subject to Charter, Tideland Acts:* This lease and the premises hereby demised shall at all times during the term hereof be subject to the limitations, conditions, restrictions and reservations contained in and prescribed by the Charter of the City of Oakland and the laws of California and should it include any tide or submerged or marsh lands conveyed to the City by the State of California, then it shall be subject to the limitations, conditions, restrictions and reservations contained in and prescribed by the Act of the Legislature which may be applicable thereto.

Lessor reserves and at all times shall have the right of supervision over the uses by Lessee of the leased premises and the right to regulate Lessee's said uses according to the true spirit and intent of said law and this lease and consistently with the provisions, terms, agreements, covenants and conditions thereof.

Lessor hereby further reserves any and all rights of way or other rights for sewer outlets, for gas, oil and water mains and pipe lines, for hydrants, for electric cables and wires and for such other like conduits.

19. *Validity of Lease:* Lessee agrees that all procedure and other provisions of law necessary to effectuate this

agreement have been faithfully complied with and said agreement is a valid and binding document. Further Lessee waives any claim against the City of Oakland, the Board of Port Commissioners, its officers, agents or employees, for damage or loss caused by any suit or proceedings directly or indirectly attacking the validity of this agreement, or any part thereof, or by any judgment or award in any suit or proceeding declaring this agreement, or the expenditure of funds therefor, null, void or voidable, or delaying the same, or any part thereof, from being carried out.

20. *Forfeiture:* It is mutually covenanted, and this agreement is made upon the condition, that if the rents or other sums which Lessee herein agrees to pay, or any part thereof, shall be unpaid on the date on which the same shall become due, or if default be made in any or all of the terms, agreements, conditions or covenants herein contained on the part of Lessee, or should Lessee, except with written consent of Lessor, cease to use the premises for a period of sixty [fol. 2497] (60) days at any one time, except when prevented by fire, earthquake, acts of God or of the public enemy, civil commotion, war, strikes, or other calamity beyond its control, then and in any such event, at its option the Lessor may by resolution of the Board of Port Commissioners declare this agreement forfeited, whereupon this lease shall terminate and all improvements of every kind and description, subject to the provisions of clause 13 hereof, shall be forfeited to the Lessor as liquidated damages and the Lessor may exercise all rights of entry or re-entry upon the demised premises. Lessee shall not be considered in default as to any provisions of this lease, where such default is the result of, or pursuant to, any process, order or decree of any court, governmental, judicial or regulatory body.

21. *Lessor as Agent:* In any and all cases in which provision is made herein for termination of this agreement, except by forfeiture, or for exercise by the Lessor of right of entry or re-entry upon the demised premises, or in case of vacating the premises by Lessee and the Lessor may not elect to invoke a forfeiture of said agreement, Lessee hereby irrevocably appoints the Lessor the agent of Lessee to enter upon the demised premises and remove any and all persons and/or property whatsoever situated upon the demised premises, and place all or any portion of said property, ex-

cept such property as may be forfeited to the Lessor, in storage for account of and at expense of Lessee; and in such case the Lessor may relet the premises upon such terms as to it may seem fit, and if a sufficient sum shall not be thus realized, after paying expenses of such reletting and collecting, to satisfy the rent and other sums herein reserved to be paid Lessee agrees to satisfy and pay any deficiency, and to pay expenses of such reletting and collecting. Lessee hereby exempts and agrees to save harmless the Lessor from any cost, loss or damage arising out of or caused by any such entry or re-entry upon the demised premises and/or the removal of persons and/or property and storage of such property by the Lessor or its agents.

22. *Notice of Default:* Notwithstanding anything to the contrary in this agreement contained, no forfeiture shall be declared by the Lessor unless and until not less than thirty (30) days shall have elapsed after written notice of failure of Lessee to perform the terms, agreements, conditions or covenants, or any thereof, herein contained to be performed by Lessee, shall have been given by the Lessor to Lessee, and no forfeiture of said agreement for any default by Lessee of the performance of any such term, agreement, condition or covenant, shall be declared by the Lessor, if such default shall have been cured or obviated, prior to the expiration of such notice, even though performance of such term, agreement, condition or covenant shall not have been effected or completed strictly within the period during which same should have been effected or completed; provided, that the provisions of this paragraph shall not apply to any forfeitures declared for the breach of Paragraphs 3 and 4 hereof.

23. *Surrender of Premises:* Lessee covenants that at the expiration of the term of this agreement, or upon its earlier termination, it will quit and surrender said demised premises in good state and condition, reasonable wear and tear (consistent with ordinary upkeep), damage by the elements and by fire, earthquake, acts of God or of the public enemy, civil commotion or other calamity, excepted; and Lessee agrees to remove therefrom all machinery, apparatus, boilers, tanks (excepting sprinkler systems and tanks), equipment, conveyors, trade fixtures and personal property belonging to Lessee. Lessee further covenants and

agrees that said premises and all structures, foundations and improvements thereon which by and under the terms of this agreement are provided to then remain on the demised premises and which have become the property of the Lessor, shall be well and sufficiently repaired and in good tenantable order and condition, with allowance for reasonable wear and tear (consistent with ordinary upkeep), and subject to the exceptions aforesaid, and the Lessor shall have the right on such termination, to enter upon and take possession of all said premises.

24. *Holding Over*: Should Lessee hold over said demised premises after this agreement has terminated in any manner, such holding over shall be deemed merely a tenancy from month to month and at the rental herein provided for, payable monthly in advance, but otherwise on the same terms and conditions as herein provided.

25. *On Destruction*: If during the term of this lease the structures on the demised premises shall be damaged or destroyed by fire, earthquake, act of God or of the public enemy, civil commotion, or other calamity to an extent in excess of fifty (50) per cent of the then value thereof, and the options to restore provided in paragraph 17 shall not be exercised, this agreement shall terminate at the option of either party, whereupon all rights thereunder shall cease.

26. *Storage on Premises*: Lessor shall assume no responsibility for the guarding and safekeeping of property and equipment stored upon or used in connection with the said premises.

27. *Waiver*: No waiver by either party at any time of any of the terms, conditions covenants or agreements of this agreement or of any forfeiture shall be deemed or taken as a waiver at any time thereafter of the same or any other term, condition, covenant or agreement herein contained, nor of the strict and prompt performance thereof. No delay, failure or omission of the Lessor to re-enter the demised premises or to exercise any right, power, privilege or option arising from any default, nor subsequent acceptance of rent then or thereafter accrued shall impair any such right, power, privilege or option, or be construed to be a waiver of any such default or relinquishment thereof, or

acquiescence therein, and no notice by the Lessor shall be required to restore or revive time as of the essence hereof after waiver by the Lessor of default in one or more instances. No option, right, power, remedy or privilege of the Lessor shall be construed as being exhausted or discharged by the exercise thereof in one or more instances. It is agreed that each and all of the rights, powers, options or remedies given to the Lessor by this agreement are cumulative, and no one of them shall be exclusive of the other or exclusive of any remedies provided by law, and that exercise of one right, power, option or remedy by the Lessor shall not impair its rights or any other right, power, option or remedy.

28. *Liability:* This agreement is made upon the express condition that the Lessor shall be free from all liabilities and claims for damages and/or suits for or by reason of any injury or injuries to any person or persons or property of any kind whatsoever from any cause or causes whatsoever while in or upon said demised premises or any part thereof during the term of this agreement or occasioned by any occupancy, or use, of said premises or any activity carried on by Lessee in connection therewith, and Lessee hereby covenants and agrees to indemnify and to save harmless the Lessor from all liabilities, charges, expenses (including counsel fees) and costs on account of or by reason of any such injury or injuries, liabilities, claims, suits or losses however occurring or damages growing out of same.

29. *Modifications:* Notwithstanding any of the provisions of this agreement, the parties hereto may hereafter, by mutual agreement in writing, agree to modifications thereof or additions thereto, provided such amendments do not substantially alter or change the terms thereof and are not forbidden by law.

[fol. 2499] Lessor shall have the right to grant reasonable extensions of time or times, fixed by this lease for any purpose when thereunto first authorized by resolution of the Board of Port Commissioners.

30. *Inspections:* The Lessor reserves the right to enter upon the premises at any reasonable time to inspect the same and to make any repairs that it may consider necessary to the preservation of the premises. Should any repairs be such as the Lessee should have made hereunder,

the Lessee shall immediately reimburse the Lessor for the cost of such repairs, but the making of such repairs by the Lessor shall in no event be construed as a waiver of the Lessor's right to require the Lessee to keep said premises in repair as herein provided.

31. *Additional Provisions or Modifications (if any):*

[fol. 2500] 32. *Successors and Assigns:* Each and every of the provisions, agreements, terms, covenants and conditions herein contained to be performed, fulfilled, observed and kept shall, where consent is given by the Lessor to an assignment, be binding upon the successors and assigns of the respective parties hereto, and the rights hereunder, and all rights, privileges and benefits arising under this agreement and in favor of either party, shall be available in favor of the successors and assigns thereof, respectively; provided no assignment by or through Lessee in violation of the provisions of this agreement shall vest any rights in any such assignee or successor.

33. *Definitions:* The word "Lessor", wherever used in this lease, shall mean City of Oakland (a municipal corporation), including the Board of Port Commissioners, and its or their successor or successors. The words "Board of Port Commissioners", wherever used in this lease, shall mean the administrative or legislative body with authority to act for and represent Lessor. The word "Year" and "Annual", wherever used in this lease, shall refer to a period of twelve (12) calendar months and not necessarily to a calendar year. The word "person" wherever used shall refer to and mean any person, firm or corporation. The word "ships" wherever used in this lease shall include steamers, barges and other watercraft.

34. *Time is Essence:* Time is expressly declared to be of the essence of this lease and of all terms, covenants, agreements, obligations and conditions expressed herein.

35. *Service of Notice:* Any notice required or permitted to be given to Lessee may be given to it at (here is to be inserted the address of Lessee); provided, however, that if Lessee shall give notice in writing to the Lessor of any change in said address, then and in that event such notice shall be given to Lessee at the changed address specified in such notice.

36. *Payment of Publication*: Lessee shall pay to Lessor upon the making of this lease the cost of publication of notice inviting bids for this lease and of the ordinance granting same.

37. This agreement shall be executed in quadruplicate.

[fol. 2501] In Witness Whereof, the parties hereto thereunto duly authorized have executed this agreement the day and year first above written.

City of Oakland, Lessor, by — — —, President of the Board of Port Commissioners; Attest: — — —, Secretary. — — —, Lessee, by — — —; Attest, — — —.

Passed as to form and legality this — — day of — —, 19—, — — —, Port Attorney.

Authorized by Port Ordinance No. — —.

(Note: Corporate seals should be affixed in execution.)

[fol. 2502]

EXHIBIT No. 103

Port of Oakland

Board of Port Commissioners

General Offices: Grove Street Pier, Oakland, California

January 23, 1940.

United States Maritime Commission,  
200 Bush,  
San Francisco, California

Attention: Mr. Slade

Re Docket No. 555, U. S. M. C.

Gentlemen:

Mr. Jones has instructed me to send you copies of our leases with McCormick Steamship Company and Albers Bros. Milling Company. As we have no extra copy of the latter lease I am enclosing the Notice of Intention in which it is set forth.

There is also enclosed the requested list of our current leases and licenses.

Very truly yours, (Sgd.) Alice S. Troxel, Secretary.

3 enclosures.

[fol. 2503]

### Leases and Licenses

The following persons or firms hold leases from the Board of Port Commissioners of the City of Oakland:

#### *Date of Termination*

Albers Bros. Milling Co.	June 30, 1959
Atlas Imperial Diesel Engine Co.	October 31, 1953
California Foundries, Inc.	January 31, 1954
Coos Bay Lumber Co.	March 1, 1955
J. E. Higgins Lumber Co.	December 31, 1944
S. T. Johnson	April 30, 1954
Howard Terminal	
Libby, McNeill & Libby	Dec. 14, 1949
Marine Trading Co.	April 17, 1947
E. K. Wood Lumber Company	October 31, 1964
Union Diesel Engine Company	June 30, 1964
Parr Terminal Company	May 31, 1943
Moore Dry Dock Company	June 30, 1964
Rosenberg Bros. & Co. "A" & "AA"	Month to month
Rosenberg Bros. & Co. "E"	October 19, 1944

The following persons or firms hold licenses from the Board of Port Commissioners of the City of Oakland:

#### *Date of Termination*

Voegtly and White	Month to month
Pacific Coast Engineering Co., Inc.	Month to month
Pacific Oil Sales Company	January 31, 1940
San Francisco Stevedoring Co.	Month to month
Marine Terminals Corporation	Month to month
Ethel G. Little	June 30, 1940
Herbert H. Foot	Month to month
Bay Cities Transportation Co.	Month to month
Smith Lumber Company	March 31, 1940
Albert C. Moe	Month to month
Harold R. Fish & Co.	May 31, 1940
McCormick Steamship Company	On notice
Benj. F. Steacy, Jr.	Month to month

Gamerston and Green	May 31, 1940
Oakland Yacht Club	Month to month
Hill & Morton	March 31, 1940
California Redwood Box Company	Month to month

[fol. 2504] (Licenses—continued)

*Date of Termination*

Red Salmon Canning Company—if vessels are anchored only.

The Texas Company	January 31, 1940
Keystone Steel & Wire Co.	February 29, 1940
Bagley-Nunes Co.	Month to month
Ernest A. Blackman	May 31, 1940
Scammell Lumber Company	May 31, 1940
George I. Heinold	June 30, 1940
Standard Mill and Lumber Co.	Month to month
Pacific Dry Dock and Repair Co.	Month to month
Wholesale Lumber Distributors, Inc.	May 31, 1940
Piedmont Lumber and Mill Co.	May 31, 1940
California Builders' Supply Co., Ltd.	August 31, 1940
J. W. Winther and R. S. O'Hare	Month to month

Western Vegetable Oil

## Before the United States Maritime Commission

Docket No. 555. Witness T. G. D.

Statement Showing (1) Free Time Allowed Before Assessment of Wharf Demurrage or Storage Charges; (2) Time Basis of Wharf Demurrage or Storage Charges; and (3) Wharf Demurrage or Storage Rate on Merchandise, N.O.S.

Free Time Allowed Before Assessment of Wharf Demurrage or Storage Charges  
(Exclusive of Sundays and Holidays except as noted)

Terminal	Coastwise Trade	Intercoastal Trade	Foreign and Offshore Trade
Port of Oakland <sup>1</sup> .....	10 Days	10 Days	10 Days
Encinal Terminal <sup>2</sup> .....	10 Days	10 Days	10 Days
Howard Terminal <sup>3</sup> .....	10 Days	10 Days	10 Days
Parr-Richmond Terminal <sup>3</sup> ..	10 Days	10 Days	10 Days
Port of Stockton <sup>4</sup> .....	10 Days#	10 Days#	10 Days#
San Francisco (Assigned Piers) <sup>5</sup>			
Outbound.....	5 Days	10 Days	10 Days
Inbound.....	5 Days	5 Days	7 Days
Inbound, in transit <sup>6</sup> .....	10 Days	10 Days	10 Days
Islais Creek Grain Terminal <sup>6</sup> .....	20 Days	20 Days	20 Days
State Terminal.....	10 Days	10 Days	10 Days
Golden Gate Terminal.....	10 Days	10 Days	10 Days

<sup>1</sup> Freight from Hawaiian Islands for transshipment to Intercoastal or Foreign vessel has additional free time to make on-carrier connection.

<sup>2</sup> Freight from Hawaiian Islands for transshipment via on-carrier by water has additional free time to make connection.

<sup>3</sup> Petroleum and Petroleum Products, in packages, has 21 days free time when destined to Transpacific ports.

<sup>4</sup> Chrome Ore Concentrates, in bulk, has 30 calendar days free time; Flour has 15 calendar days free time; Grain in connection with export movement has 20 calendar days free time.

<sup>5</sup> Special tariff rules apply to Hardwood Lumber, Logs and Forest Products.

<sup>6</sup> Applies only in connection with Grain.

\* When vessels are delayed beyond the free time period because of weather, accidents, breakdowns or other emergencies, such free time period will be extended to cover the additional number of days of delay to the vessel.

# Calendar day basis.

\*\* The term "in transit" means cargo routed through the Port of San Francisco and billed to an inland destination.

[fol. 2506] **Time Basis of Wharf Demurrage or Storage Charges**  
 (Including Sundays and Holidays except as noted)

Terminal	Basis
Port of Oakland .....	Per Day
Encinal Terminals .....	Per Day, except Coal, Coke and Sand, in bulk, on a 30-day period basis, plus transfer charge from dock to storage.
Howard Terminal .....	Per Day, except Coke and Sand, in bulk, on a 30-day period basis, plus transfer charge from dock to storage.
Port of Stockton .....	Per Day, except Automobiles and Trucks, on own wheels, on a monthly period basis; Chrome Ore or Chrome Ore Concentrates on a 30-day period basis; Grain, N.O.S., in bags, first on a 10-day period basis, and then on a 30-day period basis thereafter, when for export movement; Lumber and Lumber Products on a 10-day period basis.

**San Francisco (Assigned Piers)**

**Penalty Wharf Demurrage:**

Outbound .....	Per Day*
Inbound .....	5-day periods or fraction thereof*
<b>Bulkhead Wharf Demurrage</b>	
Outbound and Inbound .....	7-day periods or fraction thereof*
Islais Creek Grain Terminal .....	First 10 days or fraction thereof Next 30 days or fraction thereof, thereafter. Each 30 days or fraction thereof
State Terminal .....	First 20 days or fraction thereof Next 30 days or fraction thereof, thereafter
Golden Gate Terminal .....	Each 30 days or fraction thereof

\* Lumber and Forest Products on both per day and 30-day period basis, depending upon pier location, etc.

[fol. 2507] Wharf Demurrage or Storage Rates on Merchandise, N.O.S.  
(Including Sundays and Holidays except as noted)

Terminal	Rates
Port of Oakland.....)	
Encinal Terminals.....)	
Howard Terminal.....)	2 cents per ton of 2,000 lbs. per day
Parr-Richmond Terminal.....)	
Port of Stockton.....)	
San Francisco (Assigned Piers)	
Penalty Basis	
Outbound—Coastwise and Inland Water-way Trade.....	2½ cents per ton per day, weight or measurement (whichever will yield the greatest revenue), for the first 5 days or fraction thereof, then
	5 cents per ton per day for the next 5 days or fraction thereof, and thereafter
	.10 cents per ton per day for each succeeding day.
Foreign, Off-shore and Intercoastal Trade.....	2½ cents per ton per day for the first 3 days or fraction thereof, then
	5 cents per ton per day for the next 4 days or fraction thereof, and thereafter
	10 cents per ton per day for each succeeding day.
Inbound—All Trades.....	25 cents per ton, weight or measurement (whichever will yield the greatest revenue), for the first 5 days or fraction thereof, then
	50 cents per ton for each succeeding period of 5 days or fraction thereof.
Bulkhead Basis—Inbound and Outbound in all trades.....	12½ cents per ton, weight or measurement (whichever will yield the greatest revenue), for each 7 day period or fraction thereof.
	) 15 cents per ton for the first 20 days or fraction thereof, then
State Terminal.....)	25 cents per ton for the next 30 days or fraction thereof, and thereafter
Golden Gate Terminal.....)	.30 cents per ton for each 30 days or fraction thereof.

Source: Port of Oakland Tariff No. 1, Exhibit No. 71;  
Encinal Terminal Tariff No. 1, Exhibit No. 72.  
Howard Terminal Tariff No. 2, Exhibit No. 75.  
Parr-Richmond Terminal Tariff No. 2, Exhibit No. 77.  
Port of Stockton Terminal Tariff No. 3, Exhibit No. 69.  
Board of State Harbor Commissioners for San Francisco Harbor Tariff Charges, Exhibit No. 64.

(Here follows Exhibit No. 117, side folios 2508—2511)

[fol. 2508]

## EXHIBIT NO. 117—WITNESS: DIFFERING

Before the United States Maritime Commission  
Comparison of Wharf Demurrage Charges After Expiration of Free Time Period  
(Charges in Cents Per Ton of 2,000 Pounds, Except as Shown)

Commodity and Terminals	Number of Days on Hand																	
	3	5	7	10	15	20	25	30	60	90	120	150	180	210	240	270	300	360
Apricot Kernels; Canned Goods; Fruit, Dried; Oil Cake; Oil Cake Meal; Peas, Dried; Rice; Seed, Sesame; Sugar																		
Port of Oakland, Port of Stockton, Encinal, Howard, Parr-Richmond	3¾	6¼	8¾	12½	18¾	25	31¼	37½	75	112½	150	187½	225	262½	300	337½	375	450
State Terminal (50 cents H/C included)	65	65	65	65	65	65	90	90	120	150	180	210	240	270	300	330	360	420
Golden Gate Terminal	15	15	15	15	15	15	40	40	70	100	130	160	190	220	250	280	310	370
S. F. Assigned Piers—Penalty Wharf Demur- rage applicable to inbound cargo	25	25	75	75	125	175	225	275	575	875	1175	1475	1775	2075	2375	2675	2975	3575
S. F. Assigned Piers—Bulkhead Wharf Demur- rage applicable to inbound and outbound cargo	12½	12½	12½	25	37½	37½	50	62½	112½	162½	225	275	337½	375	437½	487½	537½	650
Fertilizers, Viz.: Ammonia, sulphate of; Ammonia Phosphate; Cyanamid; Nitrates; Potash; Pot- ash, sulphate of; Phosphates; Urea; and other chemical or prepared fertilizers																		
Port of Oakland, Port of Stockton, Encinal, Howard, Parr-Richmond	4½	7½	10½	15	22½	30	37½	45	90	135	180	225	270	315	360	405	450	540
State Terminal (50 cents H/C included)	57½	57½	57½	57½	57½	57½	70	70	85	100	115	130	145	160	175	190	205	235
Golden Gate Terminal	7½	7½	7½	7½	7½	7½	20	20	35	50	65	80	95	110	125	140	155	185
SF. Assigned Piers—Penalty Wharf Demur- rage applicable to inbound cargo	25	25	75	75	125	175	225	275	575	875	1175	1475	1775	2075	2375	2675	2975	3575
S. F. Assigned Piers—Bulkhead Wharf Demur- rage applicable to inbound and outbound cargo	12½	12½	12½	25	37½	37½	50	62½	112½	162½	225	275	337½	375	437½	487½	537½	650
[fol. 2509]																		
Excelsior, In Bales																		
Port of Oakland, Encinal, Howard, Parr-Rich- mond	21	35	49	70	105	140	175	210	420	630	840	1050	1260	1470	1680	1890	2100	2520
Port of Stockton	6	10	14	20	30	40	50	60	120	180	240	300	360	420	480	540	600	720
State Terminal (50 cents H/C included)	65	65	65	65	65	65	90	90	120	150	180	210	240	270	300	330	360	420
Golden Gate Terminal	15	15	15	15	15	15	40	40	70	100	130	160	190	220	250	280	310	370
S. F. Assigned Piers—Penalty Wharf Demur- rage applicable to inbound cargo	25	25	75	75	125	175	225	275	575	875	1175	1475	1775	2075	2375	2675	2975	3575
S. F. Assigned Piers—Bulkhead Wharf Demur- rage applicable to inbound and outbound cargo	12½	12½	12½	25	37½	37½	50	62½	112½	162½	225	275	337½	375	437½	487½	537½	650
Hops, In Bales																		
Port of Oakland, Port of Stockton, Encinal, Howard, Parr-Richmond	12	20	28	40	60	80	100	120	240	360	480	600	720	840	960	1080	1200	1440
State Terminal (50 cents H/C included)	65	65	65	65	65	65	90	90	120	150	180	210	240	270	300	330	360	420
Golden Gate Terminal	15	15	15	15	15	15	40	40	70	100	130	160	190	220	250	280	310	370
S. F. Assigned Piers—Penalty Wharf Demur- rage applicable to inbound cargo	25	25	75	75	125	175	225	275	575	875	1175	1475	1775	2075	2375	2675	2975	3575
S. F. Assigned Piers—Bulkhead Wharf Demur- rage applicable to inbound and outbound cargo	12½	12½	12½	25	37½	37½	50	62½	112½	162½	225	275	337½	375	437½	487½	537½	650
[fol. 2510]																		
Merchandise, N.O.S.																		
Port of Oakland, Port of Stockton, Encinal, Howard, Parr-Richmond	6	10	14	20	30	40	50	60	120	180	240	300	360	420	480	540	600	720
State Terminal (50 cents H/C included)	65	65	65	65	65	65	90	90	120	150	180	210	240	270	300	330	360	420
Golden Gate Terminal	15	15	15	15	15	15	40	40	70	100	130	160	190	220	250	280	310	370
S. F. Assigned Piers—Penalty Wharf Demur- rage applicable to inbound cargo	25	25	75	75	125	175	225	275	575	875	1175	1475	1775	2075	2375	2675	2975	3575
S. F. Assigned Piers—Bulkhead Wharf Demur- rage applicable to inbound and outbound cargo	12½	12½	12½	25	37½	37½	50	62½	112½	162½	225	275	337½	375	437½	487½	537½	650
Moss, Peat or Sphagnum																		
Port of Oakland, Port of Stockton, Encinal, Howard, Parr-Richmond	15	25	35	50	75	100	125	150	300	450	600	750	900	1050	1200	1350	1500	1800
State Terminal (50 cents H/C included)	65	65	65	65	65	65	90	90	120	150	180	210	240	270	300	330	360	420
Golden Gate Terminal	15	15	15	15	15	15	40	40	70	100	130	160	190	220	250	280	310	370
S. F. Assigned Piers—Penalty Wharf Demur- rage applicable to inbound cargo	25	25	75	75	125	175	225	275	575	875	1175	1475	1775	2075	2375	2675	2975	3575
S. F. Assigned Piers—Bulkhead Wharf Demur- rage applicable to inbound and outbound cargo	12½	12½	12½	25	37½	37½	50	62½	112½	162½	225	275	337½	375	437½	487½	537½	650

Fertilizers, Viz.: Ammonia, sulphate of; Ammonia Phosphate; Cyanamid; Nitrates; Potash; Potash, sulphate of; Phosphates; Urea; and other chemical or prepared fertilizers

Port of Oakland, Port of Stockton, Encinal, Howard, Parr-Richmond	4½	7½	10½	15	22½	30	37½	45	90	135	180	225	270	315	360	405	450	540
State Terminal (50 cents H/C included)	57½	57½	57½	57½	57½	57½	70	70	85	100	115	130	145	160	175	190	205	235
Golden Gate Terminal	7½	7½	7½	7½	7½	7½	20	20	35	50	65	80	95	110	125	140	155	185
S. F. Assigned Piers—Penalty Wharf Demurrage applicable to inbound cargo	25	25	75	75	125	175	225	275	575	875	1175	1475	1775	2075	2375	2675	2975	3575
S. F. Assigned Piers—Bulkhead Wharf Demurrage applicable to inbound and outbound cargo	12½	12½	12½	25	37½	37½	50	62½	112½	162½	225	275	337½	375	487½	437½	537½	650

[fol. 2509]

Excelsior, In Bales

Port of Oakland, Encinal, Howard, Parr-Richmond	21	35	49	70	105	140	175	210	420	630	840	1050	1260	1470	1680	1890	2100	2520
Port of Stockton	6	10	14	20	30	40	50	60	120	180	240	300	360	420	480	540	600	720
State Terminal (50 cents H/C included)	65	65	65	65	65	65	90	90	120	150	180	210	240	270	300	330	360	420
Golden Gate Terminal	15	15	15	15	15	15	40	40	70	100	130	160	190	220	250	280	310	370
S. F. Assigned Piers—Penalty Wharf Demurrage applicable to inbound cargo	25	25	75	75	125	175	225	275	575	875	1175	1475	1775	2075	2375	2675	2975	3575
S. F. Assigned Piers—Bulkhead Wharf Demurrage applicable to inbound and outbound cargo	12½	12½	12½	25	37½	37½	50	62½	112½	162½	225	275	337½	375	437½	487½	537½	650

Hops, In Bales

Port of Oakland, Port of Stockton, Encinal, Howard, Parr-Richmond	12	20	28	40	60	80	100	120	240	360	480	600	720	840	960	1080	1200	1440
State Terminal (50 cents H/C included)	65	65	65	65	65	65	90	90	120	150	180	210	240	270	300	330	360	420
Golden Gate Terminal	15	15	15	15	15	15	40	40	70	100	130	160	190	220	250	280	310	370
S. F. Assigned Piers—Penalty Wharf Demurrage applicable to inbound cargo	25	25	75	75	125	175	225	275	575	875	1175	1475	1775	2075	2375	2675	2975	3575
S. F. Assigned Piers—Bulkhead Wharf Demurrage applicable to inbound and outbound cargo	12½	12½	12½	25	37½	37½	50	62½	112½	162½	225	275	337½	375	437½	487½	537½	650

[fol. 2510]

Merchandise, N.O.S.

Port of Oakland, Port of Stockton, Encinal, Howard, Parr-Richmond	6	10	14	20	30	40	50	60	120	180	240	300	360	420	480	540	600	720
State Terminal (50 cents H/C included)	65	65	65	65	65	65	90	90	120	150	180	210	240	270	300	330	360	420
Golden Gate Terminal	15	15	15	15	15	15	40	40	70	100	130	160	190	220	250	280	310	370
S. F. Assigned Piers—Penalty Wharf Demurrage applicable to inbound cargo	25	25	75	75	125	175	225	275	575	875	1175	1475	1775	2075	2375	2675	2975	3575
S. F. Assigned Piers—Bulkhead Wharf Demurrage applicable to inbound and outbound cargo	12½	12½	12½	25	37½	37½	50	62½	112½	162½	225	275	337½	375	437½	487½	537½	650

Moss, Peat or Sphagnum

Port of Oakland, Port of Stockton, Encinal, Howard, Parr-Richmond	15	25	35	50	75	100	125	150	300	450	600	750	900	1050	1200	1350	1500	1800
State Terminal (50 cents H/C included)	65	65	65	65	65	65	90	90	120	150	180	210	240	270	300	330	360	420
Golden Gate Terminal	15	15	15	15	15	15	40	40	70	100	130	160	190	220	250	280	310	370
S. F. Assigned Piers—Penalty Wharf Demurrage applicable to inbound cargo	25	25	75	75	125	175	225	275	575	875	1175	1475	1775	2075	2375	2675	2975	3575
S. F. Assigned Piers—Bulkhead Wharf Demurrage applicable to inbound and outbound cargo	12½	12½	12½	25	37½	37½	50	62½	112½	162½	225	275	337½	375	437½	487½	537½	650

[fol. 2511]

Paper and Paper Articles, Viz.: Bags; Boxes, fibre, K.D., folded; Envelopes; Napkins; Tissue, N.O.S.; Towels, Wrapping Paper

Port of Oakland, Encinal, Howard, Parr-Richmond (Charges apply on all articles shown except Napkins and Towels)	15	25	35	50	75	100	125	150	300	450	600	750	900	1050	1200	1350	1500	1800
Port of Oakland, Encinal, Howard, Parr-Richmond (Charges apply only on Napkins and Towels)	21	35	49	70	105	140	175	210	420	630	840	1050	1260	1470	1680	1890	2100	2520
Port of Stockton (Charges apply only when packed in rolls, bales or bundles)	3¾	6¼	8¾	12½	18¾	25	31¾	37½	75	112½	150	187½	225	262½	300	337½	375	450
Port of Stockton (Charges apply only when packed in cases)	6	10	14	20	30	40	50	60	120	180	240	300	360	420	480	540	600	720
State Terminal (50 cents H/C included)	65	65	65	65	65	65	90	90	120	150	180	210	240	270	300	330	360	420
Golden Gate Terminal	15	15	15	15	15	15	40	40	70	100	130	160	190	220	250	280	310	370
S. F. Assigned Piers—Penalty Wharf Demurrage applicable to inbound cargo	25	25	75	75	125	175	225	275	575	875	1175	1475	1775	2075	2375	2675	2975	3575
S. F. Assigned Piers—Bulkhead Wharf Demurrage applicable to inbound and outbound cargo	12½	12½	12½	25	37½	37½	50	62½	112½	162½	225	275	337½	375	437½	487½	537½	650

Explanation: Charges indicated on this exhibit taken from: Port of Oakland Tariff No. 1, Exhibit No. 71; Port of Stockton Terminal Tariff No. 3, Exhibit No. 69; Encinal Terminals Tariff No. 1, Exhibit No. 72; Howard Terminal Tariff No. 2, Exhibit No. 75; Parr-Richmond Terminal Tariff No. 1, Exhibit No. 77; State Terminal Co., Ltd., Tariff No. 1, Exhibit No. 67; which covers only the 50 cents handling charge included in the charges shown; and Board of State Harbor Commissioners for San Francisco Harbor Tariff Charges, Exhibit No. 64. All wharf demurrage charges applicable at State Terminal, Golden Gate Terminal and the San Francisco assigned piers are set forth in Exhibit No. 64, with charges on a per ton period basis for the two terminals and on a per ton, weight or measurement, whichever will yield the greater revenue, period basis at the assigned piers. The penalty wharf demurrage charges applicable to outbound cargo have not been shown hereon.

[fol. 2512]

EXHIBIT No. 126

Port of Oakland

Operating Report, Fourth Quarter

Twelve Months Period Ended June 30, 1940

Fiscal Year 1939-1940